

NEWS SUMMARY

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BUSINESS
Equities
and gilts
drift
lower

Government faces
rift with industry
over new measures

BY ADRIAN HAMILTON

A distinct cooling is likely in relations between industry and the Government as a result of the Chancellor's public spending announcement on Tuesday and the increase in employers' national insurance contributions.

Industry reaction yesterday was largely hostile in spite of the last-minute concessions made on the price code.

The Confederation of British Industry has yet to decide its next move.

It is unlikely to abandon the search by Lord Watkinson, CBI president, for a consensus among industry, unions and the Government on industrial strategy. But it could withdraw from the active moves to encourage members to invest promised by Lord Watkinson at the last meeting of the National Economic Development Council.

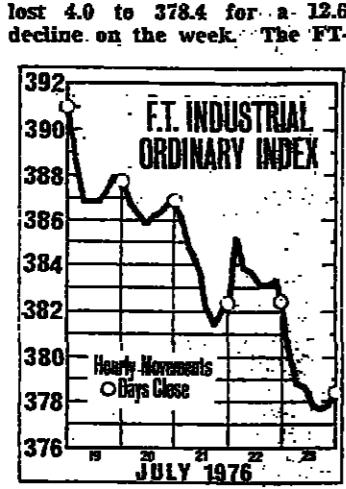
Against this, the rise in the adjustment factor for depreciation from 1.3 to 1.4 per cent was far short of the increase to 2.0 which the CBI sought—and this was probably the most important item on its shopping list.

Mrs. Williams has rejected industry's pleas that labour be included as a fixed cost in the clauses allowing companies to gain some of the advantages of a rise in sales.

She also rejected requests to change the cut-off date for the retrospective recovery of cost increases and the tightening of rules on profit recovery.

The precise price and profit impact of the changes made by the Government has still to be calculated. The Government believes that the market will continue to limit price rises so that the effect of all the changes will amount to little more than 1 per cent. on retail prices.

The CBI believes that, with an accelerating economic recovery,



Actuaries All-Share index lost 1.1 per cent to 158.65 for a weekly fall of 2.68 per cent.

• GILTS drifted down with losses in shorts ranging to 1.5 and in mediums and longs to 1.5. The Government Securities index was 0.17 down at 62.31.

• STERLING closed 15 points down at \$1.7820; its weighted depreciation widened to 38.5 (38.4). The dollar's narrowed to 1.84 (1.86) per cent.

• GOLD fell \$1 to \$111.50.

• WALL STREET was up at 991.98 near the close.

• BRITISH LEVYLAND is increasing from Monday the prices of all model except the new Rover 3500 by an average 4.5 per cent. Page 8

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The week in London and New York

Equities suffer worst week since May

ONLOOKER

Down 12.6 points equities in the depth of member companies had their worst week since the end of May. But most of the setback occurred before Thursday's economic package so despite yesterday's 4 points decline in the 30-Share index Mr. Healey's "cuts" may not prove all that bearish for shares. The index closed at 378.4 down 8.3 points on the account, and gifts too ended the week in uncertain form. Sterling, which was beginning to falter again yesterday, has actually managed to rise half a cent or so against the dollar this week.

Thursday's package is duly cutting back the borrowing requirement by the sort of numbers most observers anticipated and its only surprise element was an increase in employers' national insurance contributions. The market may take this as a sign that the Chancellor will be willing in future to lean on industry's growing profits surplus. At all events the CBI reacted sharply. The measures are of course going to take the retail price index up 1 per cent, or so in due course, which is one factor unsettling gilts.

As for individual equity sectors, the package has had little obvious impact. As usual the motorway stocks have come under pressure with Tarmac leading the way down. But construction shares have been in the doldrums for the past three months which is one reason why our capital goods index has underperformed the overall market by as much as a quarter this year. Golds remain as flat as a pancake. But bank shares were taking heart yesterday following the first shots in the clearers' interim results season. All eyes now turn to NatWest which reports on Tuesday.

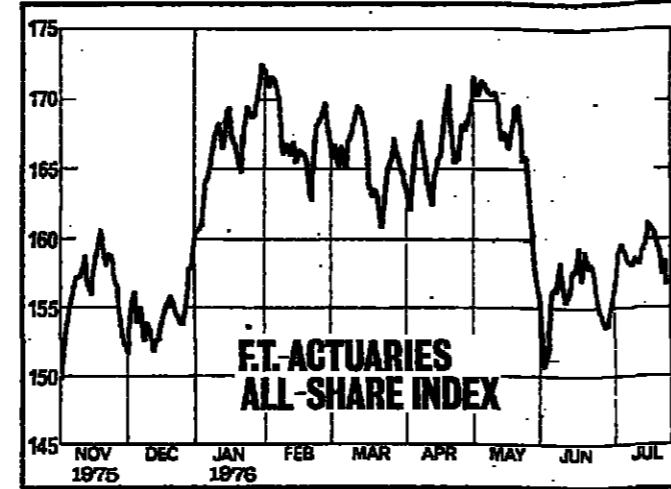
Traded options

A London market in traded options to be worked within the existing jobbing system has been given the green light. But there is not going to be any immediate rush by members to set up stalls. On Tuesday the advisory committee to the Stock Exchange Council agreed to issue a prospectus for participation in a market with a paid up capital of around £1m. and on present plans this will probably break down into 250 seats at £4,000 a time. Thus the economics of the new market are beginning to take shape—and with 25 per cent of the new capital payable on subscription the prospectus looks like providing

proved immensely popular in the U.S. and the enthusiasts hope that once the option's scope for spreading investment risk is fully understood—and costed—it will quickly become part of the established City scene. But at the moment there are probably just as many cynics as there are enthusiasts.

Discount squeeze

Union Discount is the largest house in the discount market so lower half-time profits from the company have understandably set the sector back on its heels a bit this week: our index has dropped 6 per cent. After the sharp rise in the gilts market in the first few months of 1976 the going has been considerably tougher recently for the discount houses. MLR has been once side and from overseas. Helped by the previous year's running margins have been strong liquidity trend—1975-76



TOP PERFORMING SECTORS IN FOUR WEEKS FROM JUNE 4

	% Change
Toys & Games	+8.7
Machine & Other Tools	+8.4
Property	+7.1
Breweries	+7.0
Newspapers, Publishing	+5.8
Packaging & Paper	+5.7
All-Share Index	+2.2

WORST PERFORMERS

	% Change
Oils	-0.6
Investment Trusts	-1.4
Household Goods	-1.7
Insurance Brokers	-2.2
Discount Houses	-3.9
Wines & Spirits	-7.1

squeezed by higher money opened with cash balances. Union's sentiments this higher by £40m, at £67.3m. property and finance returned profits up from £13.2m. to about £19.1m. Overseas, all areas performed well apart from Australia and profits moved ahead from £4.3m. to around £18.7m.

But there are signs that the stock market might be painting too bleak a picture of the sector's prospects. This year's first half profits, have after all, to compare with a record 1975 first half, and, more importantly, the houses have changed their spots radically over the last two years. The stock market, which harbours painful memories of 1972/73 when half the houses had to cut their dividends, may not fully appreciate the changing nature of the business. Discount house gilts books tend to be far smaller and shorter these days and the houses are now far more active dealers in short term paper.

The sector yields 9.2 per cent, against the financial sector average of 5.9 per cent. But a close eye should be kept on interest rate trends in the current half of 1976.

GUS' growth

Great Universal Stores came up with another solid result on Thursday. Maintained profits growth of 10 per cent, throughout the year has taken the pre-tax figure up by £9m. to £93m. But within these figures is a dull performance from U.K. retailing with a contribution of about £55m., which probably has not changed materially for the past four years. Mail order has shown defensive qualities despite working capital pressures, but the real growth at GUS came from the property and financial link via a £4m. "cheap" long-term loan. K. and H. has stated that it sees the logic in a bid for Welfare and would accept—at the right price.

U.K. INDICES

Price Y'day	Change on Week	1976 High	1976 Low	Notes
F.T. Ind. Ord. Index	-12.6	420.8	364.7	Ahead of and after spending cuts
F.T. Gold Mines Index	-7.0	246.9	108.3	Further decline in bullion price
Ayer Hitam	+2.8	298	160	Sharp higher profits and div.
Bat	-18	410	342	Disappointing interim profits
Central Province	+3.1	111	71	Anglo-Indonesia bid situation
Courtaulds	-11	169	123	Profits warning
Dowty	-11	182	140	Preliminary figures
Elbar Industrial	+3.2	198	90	Tanganyika Con. 20sp cash bid
Johnson-Richards Tiles	-36	260	180	Disappointing results
Keith & Henderson	-6	96	55	No bid increase from Welfare Inc.
Manbri & Garton	-16	181	122	Absence of Tate & Lyle bid
Ocean Wilsons	+11	142	92	Speculative demand
Plessey	-5	84	65	Disappointing 1st-qtr. results
Roskill	-4	25	6	Dividend omission/loss
Royal Sovereign	+37	79	32	Bid from Dickinson Robinson
Union Discount	-17	385	305	Disappointing interim statement
Wallis (F.J.)	-7	46	33	Fading bid hopes
Wedgwood	-15	251	196	Profits warning
Wingate Inv.	+10.1	36	14	25p cash bid from Geo. Wimpey
Womelds, Walker	-3	15	3	Profits warning

Buyers wanted

BY JAY PALMER

NEW YORK, July 23

"Wall Street is not going to be able to get going and break through to new high ground until the general public, the so-called small investors, start buying in earnest," one broker reflected last night. "The large institutions and pension funds fuelled the first two legs of our bull market and they are now fully invested. We need an injection of new cash to rise and stay above 1,000."

Still another view is based on the not unreasonable assumption that 1977 and 1978 will be

years of slow economic growth carried forward—perhaps at a slower rate. This is

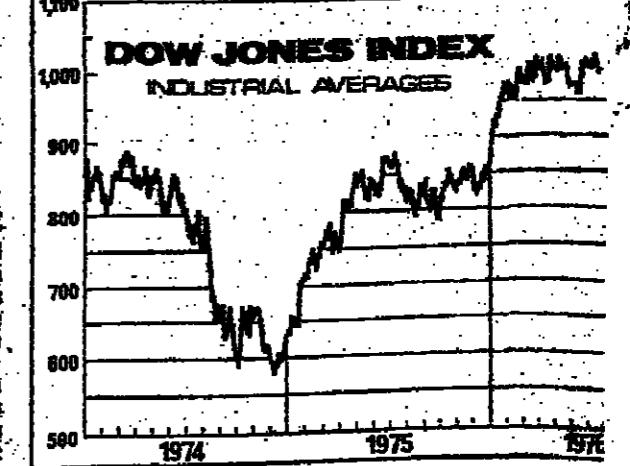
what market expectations are based on general forecasts of 2.5 per cent. plus profit growth.

Cautions on this front already include a number of prime companies—including Disney, Polaroid and most recently Eastman Kodak. In every single case these companies turned in

very respectable profit growth.

Looking at the market's per

formance over the last six weeks or so, it has become dramatically clear that some individual stocks and indeed possibly some sectors are in for a drumming as actual profit growth failed to exceed market expectations. This is all too probable an event, remember



when market expectations are based on general forecasts of 2.5 per cent. plus profit growth.

Cautions on this front already include a number of prime companies—including Disney, Polaroid and most recently Eastman Kodak. In every single case these companies turned in

very respectable profit growth.

However, share prices fell on the simple reason that this growth was not better than had been anticipated.

About the only positive factor

to be drawn from the market's current inability to move ahead

from this present

and from this present</

Your savings and investments

strong shoulder to lean on

CHRISTOPHER HILL

S bids and rumours of what has happened to Merchant Investors, the unit-linked subsidiary of United Dominions Trust which is being taken over through one of its by the giant Dutch insurance company, Nationale Nederlanden. A few months ago one might have asked with justice: "Whatever happened to Merchant Investors?", in that having been stitching strongly on the property bond field in 1973 and 1974, reaching an asset peak of £25m. in mid-1974 it's Trust Managers suddenly disappeared from the promotional scene as the 'pros' of 18 months) and the party market entered its bear phase and UDT had its funding problems.

Edward Fairman, the chief executive of Merchant Investors, admits that the link with UDT will be a tough nut for a newcomer even Pott's experience at the moment. The June sales from the industry were fairly limp and confidence about the immediate future of the stockmarket is far from strong.

small companies need

to be a strong shoulder on. This at any rate is

its team, together during the tough times. Moreover, this year the unit value of the property bond has recovered to 118p (starting at 100p in June, 1970) and the company now reckons that it is in sound shape to expand—property developments especially are down to the bare minimum.

It will be interesting to see how useful a support Nationale Nederlanden turns out to be, for U.K. brokers are notoriously parochial when it comes to foreign companies. This is why Vanbrugh does so well, having the backing of a household name which is a household name everywhere. But for the record, Nationale already owns a traditional U.K. company, Life Association of Scotland, and occupies much the same position in Holland as the Prudential does here. It is the biggest Dutch insurance company with assets of £28m. at the last count. Moreover, nationalism is rife everywhere—in Holland itself Nationale Nederlanden and the other big Dutch companies regard foreign competitors like Equity and Law as slightly dangerous upstarts.

Anyway, we should be hearing more from Merchant Investors from now on, but it does not intend to concentrate on property bonds this time round. For a start, the product range will be extended into the pensions field—currently, the total assets stand at around £19m.

ported that, one the price really came back, a big demand appeared from previously stodgy quarters for Krugerrands with gold and will probably rise at £63 per coin and the domestic main affected by the cloud over premium at one time reached as high as 64 per cent.

This means that there is a strong demand for the metal when the level gets low enough and there are now signs of rising confidence in some quarters. David Fuller of Chart Analysis, for example, seems to think the low point has been touched and recovery is on the way. But while one can say with a fair degree of safety that gold will have its day again, the question only say (in medical terms) is "when" and others believe that while it may trade in the day it touched a low of \$105-\$115 bracket for a while, \$107 and while it had it will eventually test \$90 per oz. This is all not very satisfactory for the purchaser of Krugerrands at £100 a coin in late 1974, worst. No one quite what will happen but the IMF scheduled for September is now buy now and endure any bearish factor and further declines or to wait a cancelled or postponed little. My instinct would be to certainly help the price, wait and see what happens about other hand, dealers re: the next IMF's sale.

actical support

EEKS ago I discussed control—which they don't—in of a unit trust (or a order to do the shareholders a unit trusts acting in some good, than this is the taking over an investment obvious way of doing it." Like Save, and Prosper's that there were a lot of Investment Trust Units. In fact the general Practical is not anxious to rock was that it was too hard the boat by getting into conflict crack, unless there was with investment trusts, but it from the directors does have over 10 per cent of investment trusts them—five investment trusts which it but the idea is not dead would be prepared to use to week I met Mr. G. W. further an amicable agreement, a director of the I have also got this impression I unit trust (with £28m. from other quarters so perhaps investment trust shares), who it would be a good idea if there that in theory if the were some schemes along these next felt like giving up lines.

to the Pacific

DAY G.T. Management is an offer of units in its (Sterling) Fund, a company which will act as a "feeder" fund into the Fund. The concept for fund based in Jersey is relatively well-established that it enables a U.K. to go for an overseas without encountering the perils of the dollar. The initial set-up in G.T. will be to purchase units Asia two-thirds with foreign currency and one rough premium. Asia is a recent adjunct to G.T. Group (following the on of Shipping and G.T.'s axe to grind).

nposing limits

ell known that the Life Associations has been effective rate the broker is getting at nearer 3 per cent, 14 per cent. Now there are feelings that perhaps the brokers are beginning to regard this as a matter of course, whether any additional services are performed or not, and the Association's members are being canvassed for their opinions as to whether there should be some limit laid down. A total of 2% initial charge. But 14 per cent was the figure mentioned to my informant, but not every one agrees that there was much stronger, the broker decided that its marketing allowance should be allowed to the broker was performing "additional" service never laid down what this but it seems to have up at between a further

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There is far more optimism though silver fell in sympathy with gold and will probably rise at £63 per coin and the domestic main affected by the cloud over

premium at one time reached as high as 64 per cent.

For higher rate taxpayers, income yield is far less attractive than capital gains made in an authorised unit trust; to the 70% taxpayer such gains are worth nearly 3 times the same income return.

The table illustrates the point:

GROSS INCOME YIELD NEEDED BY			
50% Taxpayer	70% Taxpayer	90% Taxpayer	To equal capital growth of
8.7%	14.6%	43.7%	5%
17.5%	29.2%	87.5%	10%

The solution is plain: to invest for capital growth. However growth investment often involves a degree of volatility unacceptable to most investors.

The objective is to achieve this growth with a higher degree of reliability than a normal equity portfolio investing for capital growth. For this reason the Trident Nil Yield Fund—with the PIMS service—has funds which take their main advice from one or other of the Japanese security houses. G.T. has an office in Hong Kong staffed by half a dozen permanent executives who are closer to the action and have only

Three portfolios in one

1. Fixed Interest. An actively managed portfolio of Government Stocks and other fixed interest investments which, together with cash awaiting investment, accounts for 54% of the Fund.

2. Overseas growth stocks account for 22% of the Fund and current emphasis is on U.S. stocks with low yields and good prospects of capital growth. Back-to-back currency facilities substantially avoid the risks of the dollar premium.

General Information

To invest, use the form provided and units will be allocated at the price ruling on receipt of your cheque. The minimum investment in the Fund is £500 or £2,500 with the PIMS service. A contract note will be sent by return. The Unit Price is published daily in leading newspapers. Any small income arising on the Fund will be automatically accumulated but higher rate taxpayers will be liable for higher rates of tax and the investment income surcharge on any such income. To Sell units, return your certificate endorsed on the back indicating the number you wish to sell, for which you will receive the Bid price ruling on receipt. Payment is normally made within 7 days of our receiving the certificate. Commission of 11% will be paid to recognised agents. Charges. An initial charge of 5% is included in the Offer price. A charge at an annual rate of 1% (plus VAT) of the value of the Fund is deducted from gross income to meet administrative expenses. Trustees: Midland Bank Trust Company Ltd. Auditors: Peat, Marwick, Mitchell & Co. Managers: Schlesinger Trust Managers Ltd, 19 Hanover Square, London W1. Members of the Unit Trust Association. Registered in England. No. 953855. This offer is not available to residents of the Republic of Ireland.

More to come from TV contractors

BY TERRY GARRETT

TV CONTRACTING must rate a 10 to 15 per cent increase. £8.66m. including a two-thirds one of the best performing sectors over the past 18 months. All the major quoted companies have well beaten the market's rise of 140 per cent since January 1975, particularly the regional groups where the field is led by HTV showing a 370 per cent increase in its price. Even Granada, with only a quarter of its profits from contracting, has seen a 230 per cent rise in its shares.

The background to this strong performance has been the buoyant advertising figures. These have been on a rising trend since the beginning of 1975, and have been especially firm over the past ten months—which is particularly good news for the regional groups having an almost total commitment to contracting.

In the first six months of 1976 advertising revenue was ahead by two fifths at £108m. and prospects for the full year are equally encouraging. However revenue figures for the next couple of months are unlikely to look as impressive. The summer months are traditionally quiet, while the absence of any Olympic coverage on the independent network is bound to cause some advertisers to hold fire till next Autumn.

Nevertheless revenue predictions for the full year centre around £230m.—an increase of 30 per cent—and early forecasts for 1977 are looking for

While revenue is pushing up in contracting profits to £2.72m. One of the main features with Granada is its good-quality rental income. Overseas rental operations have round the rise is more likely to be 10 per cent. Also the increase in the IBA's rental profit with perhaps a £5m. contribution likely this year and doubling the year after. Mean

Trident has seen a strong of overseas earnings on recovery with interim profits up—most famous more than doubling to £2.35m. being Survival—where the pre-tax and three-quarters of its profits are free of levy charges. The rise coming from contracting. Over the past couple of years Trident's profits have been hit by the move into Australian TV rental but this company would be free of dividend restraint. HTV had already got some "elbow room" because it cut its dividend when profits fell, but with a recovery in prospect, HTV may take advantage to establish a higher payout.

However it is not all a bright picture. Independent television is facing a falling audience—one estimate put it at a drop of a tenth over the past six months—and though there is no immediate reaction from advertising rates.

Also the report by the Annan Committee on the industry is expected next Easter. Though this is generally not thought to hold any major dangers for the large groups there could be suggestions that some of the smaller regions should merge. Annan certainly overhangs the industry and is probably of the reason why London Weekend is reluctant to "go public" despite fairly active dealings in its shares. Still the sector looks attractive and offers above average yields, although by the turn of the year regional, Anglia is always a favourite because of the content there may be some price weakness ahead of Annan's report.

Highly Taxed?

Schlesingers' Nil Yield Fund is designed for higher rate taxpayers

Also suitable for: Trustees, Children, CTT Planning

Investors are looking increasingly at what matters most from their investments—the net return after tax.

For higher rate taxpayers, income yield is far less attractive than capital gains made in an authorised unit trust; to the 70% taxpayer such gains are worth nearly 3 times the same income return.

The table illustrates the point:

3. U.K. equities comprise the remaining 24% of the Fund by combining high quality, low yielding shares with the Capital Shares of Dual Capital Investment Trusts. This portfolio is well placed to benefit from any recovery of the U.K. economy and stockmarket.

The proportions in the three portfolios are varied according to the Managers' view of investment conditions. The Fund is managed defensively in such a way as to minimise exposure to risk, and is likely to be less volatile than an investment in any one market. However, because of the nature of any equity investment, the Fund should not be bought for the short term.

The aim of the fund is to achieve a net return (in the form of capital gain rather than income) greater than that obtainable from fixed interest deposits, and to achieve a steady rate of capital growth over the long term.

As a guide, in the current market conditions, the Managers are aiming for a net return of 10%—15% per annum, before expenses, although of course this cannot be guaranteed. A small income which will be accumulated, may arise about every two years, and the first occasion will be October 1976.

Bear in mind that even 10% capital return is equivalent to 29% gross income for the 70% taxpayer.

Remember that the price of units can go down as well as up.

To invest, return the coupon to us with your cheque. If you wish to discuss the Fund with your professional adviser first, tick the box for more information.

To: Schlesinger Trust Managers Ltd., Freepost RCC23, 140 South Street, Dorking, Surrey. Weekend and evening Ansaphone Tel: Dorking (0306) 86441

I wish to know more about 'Nil Yield' PIMS

I wish to invest £ in the Trident 'Nil Yield' Fund at the price ruling on receipt of my cheque.

I would like details of the 'income' withdrawal Facility

A cheque is enclosed in remittance, made payable to Midland Bank Limited.

I understand that so long as I hold units originally purchased for £2,500 or more I shall be entitled to the Personal Investment Management Service.

I declare that I am not resident outside the Scheduled Territories and that I am not acquiring the units as a means of my personal residence outside the Territories. If you are unable to make this declaration, it should be deleted and this application form should then be lodged through your U.K. bank, stockbroker or solicitor. Minors cannot be registered, but accounts designated with their initials will be accepted.

Surname

(BLOCK LETTERS PLEASE)

First name (in full)

Address

Date

Signature

(In the case of a joint application all must sign.)

S Schlesingers' Nil Yield' PIMS

Finance and the family

Outside the Rent Acts

BY OUR LEGAL STAFF

Referring to your reply under Outside the Rent Acts (June 5), where accommodation is being shared, does this obviate the previous existing registered rent, as well as enabling the landlord to re-possess within the normal period of one month?

Provided there is a true sharing of the whole of the accommodation the registered rent would not apply. However, the requirement of four weeks' notice to quit would still be effective, as that relates to all residential lettings, not only to those within the Rent Acts.

Tax and furnished letting

I am managing a house for my son, who is abroad. I understand that the usual allowance of 10 per cent of gross rents less rates is resorted to only if the actual cost of the furnishings cannot be established readily. However, the Tax Inspector has written that only the former basis will be allowed apparently as a concession, as capital allowances "on plant and machinery used in a dwelling-house" are not allowed under Sec. 48(1) Finance Act 1971. Is that so?

The Tax Inspector appears to have gone too far. He is right in saying that capital allowances (and balancing charge) rules do not apply to the assessment of furnished letting profits under case VI of schedule D, but he really should not try to impose an arbitrary rule-of-thumb upon an unwilling taxpayer simply because it will make his job easier.

The Inspector must exercise his mind in assessing the profit and must make an allowance for wear and tear which is reasonable in the particular circumstances; if he does not, the assessment will be bad and will be set aside on appeal. Where the amounts involved are not large, a reasonable working formula may well be agreed between Inspector and taxpayer, but such a convenient formula cannot be imposed unilaterally.

In the circumstances outlined

in your question (and assuming average furniture and average tenants), a reasonable annual allowance for wear and tear might be around 25 per cent on the reducing-balance basis. If the Inspector refuses to budge, it may well be best to elect for the appeal to be heard by the Special Commissioners rather than by the local General Commissioners.

Although there is nothing to suggest that it would be advantageous in this case, perhaps we should remind you that, if your son wishes to elect to have the profits assessed partly under schedule A and partly under case VI of schedule D, the election for 1974-75 must be made before the end of the present tax year. You will find the legislation on this point in section 67(2) of the Income and Corporation Taxes Act 1970.

The right of survivorship

Where the ownership of jointly owned assets passes automatically to a survivor, is there a grant of administration needed in case of intestacy?

It there a liability for capital

Settlement for children

My wife and I wish to establish a settlement in favour of my children, so that they cannot touch the capital until they reach age 23. How can we best ensure this, so that the increase from the

settlement is not gobbled up with mine?

If a friend gave my children £2,000 a year and this came out of income, and we did the same for his children, would this cause the income to be separately assessed as the children's own?

To deal with your second

question first, we should point out that the definition of

"settlor" in section 44(2) of

the Income and Corporation

Taxes Act 1970 anticipates tax avoidance devices of the type you have in mind:

444: Interpretation of

Chapter II.

(1) In this Chapter "child"

annual exemption is not subject

to the standard-of-living condi-

tion and an illegitimate child.

(2) In this Chapter— "settlement" includes any disposition, trust, covenant, agreement, arrangement, or transfer of assets;

"settlor," in relation to a

settlement, includes any person by whom the settlement was

made or entered into directly

or indirectly, and in particular

of course be subject to tax at

50 per cent under section 16

of the Finance Act 1973. With

words of this definition) in

the prospect of continuing in-

dividuals any person who has

handed, a possible wealth tax

provided or undertaken to

and the possibility of a more

directly for the purpose of aggre-

ation of children's income to

settlement, or has made with

any other personal reciprocal

might well reconsider your

arrangement for that other

person to make or enter into

the capital for five years

beyond the age of majority, but

it cannot be said that personal

liability was incurred.

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Health Motoring

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JART MARSHALL

ONE PUT ME blindfold and the wheel of a Celica Liftback, unmy eyes and told me it, within a mile I would lay 100-to-1 Japanese car. Why? clue would be the They are precise and the point of being.

The five-speed gearshifts of the two finger-tips that know where you want it to steering, too, is almost with just a trace of around the middle a mock wood-rimmed at is a mite out of contemporary Euro-

pean. It starts from cold on its auto, warms up quickly, and as it does so. And easily and quietly, without vibration, up to a cautious mark on counter at 5,400 r.p.m., equal to nearly 100 fourth gear, and in any rate, over 115 mph.

up to the 6,200 r.p.m. the engine sounds dead; yet it also pulls 400 r.p.m. representatively in fifth gear.

The heater/ventilator are marked so simply that a chimpanzee could understand them. I often heater controls of a car much difficult to the touch. I cool is from four grilles on in, almost like air in.

instruments are clear, even parabolic error non-refracting glasses, a dead accurate clock, a light on the door eager, an excellent in AM/FM radio and speedometer with a dead beam. The car gets its instant parking brake like a circuit. The mounted in a carded



Toyota Celica liftback.

cloth, are comfortable, reclining and have easy-tilt backs to give access to the rear, which I had no trouble getting 31 in for a mixture of town and motorway driving.

At £2,998 the fully-equipped Celica ST2000 Liftback is priced in between the Ford Capri 2000GL and 2000 Ghia (the car it is logical to compare it with) and is dearer than the Colt Celeste, its just £60 dearer—though better equipped—than the Ford V6 engined Capri 3000S I drove a few days after I had finished testing the Celica.

I had not tried a Capri for a couple of years and the 3000S impressed me with its potent performance. I liked the white paint and all-black trim, though not the finger-bruising door handles.

It felt a blunter instrument than the Celica or, for that matter, the Colt Celeste, but had more urge than either of them. The Capri's four-speed gearshift is nowhere near as nice as the Japanese car's five-speed—but who needs a five-speed box in a small, light car with a hefty gear ratio?

The question has to be asked: why buy a Celica or Celeste instead of a Ford Capri? The real justification (other than those delightful five-speed gearboxes) has to be the desire to own something different. The Celica has become the victim of its own popularity.

Essentially, a personal car like the Celica should be more exclusive than the family saloon

mechanical components come from. The Celica has become so familiar that it must be tempting to buy a Celica just because it looks different. Happily, for this kind of customer, it turns out to be a very pleasant car to live with.

It looks rather nice; a bit like a scaled-down American factory of a year or two ago. Underbonnet accessibility is as good as one expects it to be on a Japanese car which means you can check the oil or the battery without getting dirt

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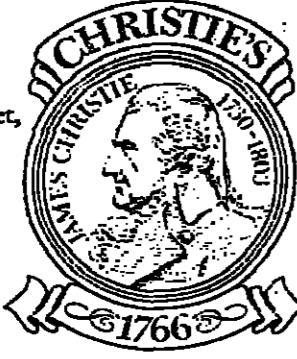
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8 King Street,
St James's
London
SW1Y 6QT



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CHRISTIART

Experience and Expertise... 272



Portrait of Cyrus the Great, wearing a dark turban and a beard, with a sword at his waist. Cyrus Persian King, 5th c. BC. 47.5 cm.

The portrait of Cyrus the Great, by a North Italian artist, sold for £2,100 and is one of a number of works of art sold by Christie's at their most recent sale of Fine Islamic and Indian Miniatures, Manuscripts and Maps during July this year. Works of Islamic interest, including portraits and scenes of Middle East subjects by European artists are now in demand.

Christie's have a wide knowledge of this field and in the autumn will be continuing their special sales of Islamic works of art, as well as European paintings, drawings and prints of Islamic subjects.

During August and September, Christie's will be open as usual for the receipt of property to be offered for sale.

Please contact Sir John Figgess at the address above.

Henry Spencer & Sons

1840

RETFORD SALEROOMS—We hold several specialist sales of ceramics, silver, paintings, carpets, weapons, coins, medals, furniture and works of art at our Retford Salerooms each month. Retford is close to the A1 and M1 motorways and on the main London-Edinburgh railway line.

COUNTRY HOUSE SALES—We are specialists in the sale of the contents of country houses on the premises. Catalogues for these sales and our Retford sales are available on subscription.

VALUATIONS—We have an expert team of valuers who carry out detailed valuations for insurance, Capital Transfer, Probate and Family Division. A free brochure detailing our services is available on request.

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Wiltons, York

Sotheby Records



One of eighty-four miniatures from a Book of Hours, c. 1510, sold on 7th July, 1976 for £370,000

This outstanding manuscript Book of Hours, hitherto unknown and unrecorded, was painted by a group of the greatest Flemish illuminators including Gerard Horenbout, the Maximilian Master, the Dresden Master and Simon Bening. It realised a world auction record price for any book.

Sotheby's hold two specialised sales each season of Western Medieval Manuscripts which also include documents and single miniatures. In addition there are twelve sales of post-medieval literary, historical, military and naval Manuscripts and Letters.

For advice on buying or selling at auction write to Christopher de Hamel (Medieval Manuscripts) or Roy Davids (post-Medieval Manuscripts).

Sotheby's

FOUNDED 1744
Sotheby Parke-Bernet & Co., 34-35 New Bond Street, London W1A 2AA

ENTERTAINMENT GUIDE (Cont.)

THEATRES

ST. GEORGE'S—SHAKESPEARE

"London's Last Stand". New

Richard III. Sat. 8.30pm, 11.15pm.

49, Trafalgar Sq., London N1.

£2.50. Tel: 01-580 2530.

Tonight and from Aug. 2.

ALICE IN WONDERLAND

RICHARD III

In repertory.

Mon. Tues. Wed. 8pm from Aug. 5.

PETER MCENERY, SARAH BADEL in

"EXCEPTIONALLY MOVING". Sat. Tel:

ERIC PORTER, LYNN FARLEIGH in

"TWELFTH NIGHT". Fri. 12.30pm.

"A NIGHT IN VENICE". D. E. Ex-

ST. MARTIN'S 222, Coventry St., London W1.

World's longest-ever run. 24th year.

AGATHA CHRISTIE'S

"THE MURDERER'S TWENTIETH"

NO. 1, COVENT GARDEN

Directed by Alan Daws

6th MYSTERY CAL STARS

TALK OF THE TOWNS 50513

8.30pm, 9pm, 10pm, 11pm.

8.30

How to spend it

OUT and BOUT

S, ever since they were born, have always been important in the lives of children, representing their first passion, and learning to one of their proudest achievements. Not surprising that they are more than just a getting about—they fulfil much the same life of a child as cars, lives of some men, accessories, gadgetry and come large so a man who can capture the d at the right time is a winner. The Chopper, to, is a prime example of already top the im are still going strong to me as if Raleigh another winner with the other bike. Raleigh to develop the Grifter noticed that many were trying to convert s for scrambling over country areas. Most attempted conversions are and were in any sort of a proper plan. Editions put on in a way.

igh got its design team to make a bike for heavy, try use which had the adventurous look that were clearly hankering the Grifter is the result after has a low-slung steel blue or bright the handlebars, which and to be the instantly a hallmark of the bike, all black with non-slip grips. The wheels are with 20-inch Super-



The new Raleigh Strike

Ashley Ashwood

bicycle family is the Boxer. Raleigh's experience with the Chopper was that one new bicycle wasn't enough, a family of bicycles to cope with different ages, sizes and cycling ability was what was really needed.

The Boxer is for children from four to seven and is designed in the same vein as the Grifter—that is, it is a sturdy, adventure cycle, but it has great inherent stability and manoeuvrability, suitable for less able cyclists. Yet another colour was chosen for the Boxer—a brilliant yellow-decorated with Union Jack graphics. Otherwise it incorporates many of the Grifter features in a scaled-down form. Like its stable-mates, the Grifter and the Strike, it is on sale now at most good toy and bicycle shops and sells at about £39.95.

The third member of the new

For younger children there is so to speak, a younger brother, the Strike, photographed above. The Strike is aimed at children between 6-8 years old, who are slightly less proficient at riding so there is no 3-speed gear but a back-pedal brake which means the child can brake and still have both hands to grip the handlebars. It, too, has studded tread tyres, the same matt black handlebars, foam saddle, giant rear reflectors—but it comes in a different colour—a bright lime green. The Strike costs about £41.95.

The new Raleigh Strike

means was the house, as an object on which a short-term or long-term capital gain would be made. This in turn depends on the rate of increase in property values. But does it really work?

In the long term house prices stay in line with incomes—the ratio between the two over, say, a twenty-year period would not vary by very much. There are, of course periods when things seem to be going wildly wrong. The 1972 boom was one such period but in fact it was simply an accelerated adjustment. Houses had become too cheap in relation to incomes and the market reacted accordingly. Prices only reached what people could afford.

Stable prices

At present prices are keeping fairly well stable reflecting the economic stringency that has been forced upon us. (It is true, however, that some sectors have reacted more dramatically than others. It is a question of the bigger they come the harder general feeling. According to future short-term shortage of building society funds. The houses have more than halved Bristol, housebuyers no longer demand for moderately-priced houses as an investment since the peak of see

their value since the peak of

HOME NEWS

Controls may be eased on factory extensions

FINANCIAL TIMES REPORTER

PLANNING controls over home and factory extensions will be eased under proposals put forward by Mr. John Silkin, Minister for Planning and Local Government, yesterday.

The suggestions were in a consultation document issued by the Department of the Environment, and unveiled by Mr. Silkin at a London conference on land for housing, organised by the National House Building Council.

They would allow householders and industrial companies to increase the size of their premises by one-fifth without seeking planning permission. The present limit is one-tenth.

The consultation document also proposed a number of other changes in planning procedure aimed at clarifying points of detail and removing anomalies as well as more substantial amendments intended to give a greater freedom without destroying the planning framework.

The plan drew immediate criticism from Mr. Robert Martin, director of architecture and planning for the London borough of Kensington and Chelsea, who said he was horrified at the effect they would have on the environment and overcrowding in inner city areas.

Mr. Silkin, returning to the theme of several of his recent speeches, told the conference that planners were devoting far too much time to dealing with trivial matters when questions of principle should be considered.

Permission

He also disclosed that in the past week permission had been given to more than 100 authorities throughout the country to buy sites for private and industrial development under the Community Land Act.

Some authorities had done very well. In one area where housing land was scarce, consent had been given for the purchase of 90 acres, "and there won't be much delay in the infrastructure either."

Permission had been given, too, to a number of important sites to be bought from nationalised industries so that they could contribute to the regeneration of run-down areas.

I have not forgotten that

MR. JOHN SILKIN
"Questions of principle should be considered."

authorities, "many of whom have never really grasped the underlying function of planning and development control, going their leisurely, patronising and obstructive way in discharging their duties as planning agents."

The Government issues circulars explaining how the system should be operated—the local authorities, more often than not, misinterpret them or simply ignore them."

Ways of improving the planning system include the award of builders' full "waiting" costs against councils responsible for "inordinate delays" or those which refused planning permission on grounds contrary to Government advice.

Contents of main planning circulars should be sent to every member of local planning committees to bring to their attention considerations of which they are often completely unaware.

Time limits

Planning inspectors should impose rigid time limits on written submission of evidence in appeal cases, and should determine appeals without delay.

Further complaints about planning procedures also came from the Association of Metropolitan Authorities.

A memorandum to the Commons inquiry

into planning procedures suggests that the balance between the rights of the public over consultation and the interests of the applicants may have swung too far in favour of those being consulted.

It also urges again the charging of a fee for the processing of planning applications. The memorandum is based on a survey of all 42 metropolitan counties and districts outside London.

The survey shows that in 1974-75 the average metropolitan district had a population of 325,200, and its planning authority made 2,001 determinations, the work being done by 16 professional and technical staff and six support staff.

Sixty per cent. of the applications were determined in under eight weeks, 20 per cent. in under three months, and 20 per cent. in over three months.

Mr. Mitchell criticised local

Church tankard raises £21,000

By Antony Thorncroft

A WORLD record price of £21,000 was paid for an Elizabethan silver gilt tankard at Phillips's yesterday.

The tankard was sold by the village church of St. Andrew's, Reddington, Wiltshire—after permission from a special session of the Consistory Court—to raise money for repairs to the church's 400-year-old roof.

The tankard, which had been expected to fetch nearer £10,000, was bought by S. J. Phillips, the Bond Street dealers.

It stands eight inches high, was made in 1602, and was given to the church by a retiring rector in 1830. The price beat the previous silver tankard auction record—£17,000 paid for a pair of Elizabethan tankards six years ago. The sale totalled £103,914.

Workers' co-op in black after losing £1 1/2 m.

By Kenneth Gooding

A WORKERS' co-operative set up last year at Kirby, Merseyside, made a loss of £1.5m. in its first 15 months, it was announced yesterday. But Mr. Jim Spriggs, convenor and director, told shareholders that it was now breaking even.

The Kirby Manufacturing and Engineering Company started in January 1975 with a loan of £700,000 from shareholders. It had a cash injection of nearly £4m. from the Government. The setting up of the co-operative followed disputes and a sit-in at what was then the Fisher-Bendix factory.

The accounts were approved at a seven-minute meeting. It was the first audited financial report from a major workers' co-operative in Britain, said Mr. Spriggs. During the period to last April

there was a loss of £1.516,079, he said. "It looks pretty massive, but there is an underlying improvement."

Those results would be shown on the next half-year figures.

Last week we made a profit of £500,000, and there was also a profit in December last year.

The company, whose products include radiators, night storage heaters and other units and soft drinks, took on another 30 production workers as soon as because of increased orders.

Mr. Spriggs stressed that, with net assets of £2.5m., the company was solvent. He added that things should improve if there was no further decline in the economy. "The light is showing at the end of the tunnel."

Investment relief for shops

By DONALD MACLEAN

THE INVESTMENT relief of 50 per cent. allowed to companies under the price code will apply to shops, in the Government's proposals announced on Thursday.

This corrects the earlier impression that it would not.

Mr. Richard Weir, director of the Retail Consortium, said last night: "The consortium is delighted to receive clarification from the Department of Prices that the rate of investment relief is 50 per cent. and not 35 per cent. as appeared to be the case from the Department's original statement."

"The recognition of the prin-

ciple that shops are the same as any other capital asset employed in the national economy is welcomed, and we hope that it will be followed by other Government departments, including those responsible for taxation."

● In the categorisation of firms yesterday.

PRICE CODE CATEGORISATION

The new categories will be:

Sector	Reporting firms (Category II)	Firms required to keep record (Category III)
Manufacturing	100,000 firms	£2,000,000
Distribution	£15,000,000	£500,000
Commercial services	£7,500,000	£500,000
Construction	£7,500,000	£2,000,000
Professional services	£750,000	£200,000

Public transport should aid leisure

By KEVIN DONE

THERE is good reason for a resurgence of interest in the use of public transport for country-side recreation, although the private car is the dominant means by which people travel into the countryside, according to a report from the Countryside Commission, published yesterday.

The report, produced by the Dartington Amenity Research Trust, accepts that the overwhelming majority of recreation movements into and within the countryside are made by private transport. Annual counts of visitors to 130 country parks and picnic sites show that between 80 and 90 per cent. of visitors arrive by car. But the consultants stress that 47 per cent. of households in Britain do not own a private car.

Although some people in this category share friends' or relatives' cars, or use mopeds and cycles, the report points out that a large slice of our population are unable to reach countryside recreation facilities at any distance from their homes by means of private transport.

There are tens of millions of recreational visits to the countryside every year, says the report, and the demand is concentrated within easy day-trip reach of the confederation of Road Passenger Transport, which represents all the major operators. The dominant pattern is for trips up to 30 miles from centres of urban population or of tourism. The last increase was in 1969, licence from £1 to £4.

The report states various instances where properly planned and managed public transport can aid public recreation. These include:

● instances where the use of private transport is causing congestion and damage to popular places in the countryside;

● where public transport can provide links in systems of recreational movement within and into the countryside;

● where public transport can act as an attractive recreational resource in its own right;

● where recreational use of public transport can help to sustain or justify public transport services for the residential population of rural areas.

The report accepts that there has been a heavy decline in

public transport in the last 20 years. Bus services, which in the early 1950s accounted for about 45 per cent. of passenger mileage, now attract little over 10 per cent. The share taken by the railways had fallen from just over 20 per cent. to well under 10 per cent.

Meanwhile private transport's share of passenger mileage has increased from just over 30 per cent. in 1952—when there were 2.5m. cars on the roads—to nearly 80 per cent. now that there are more than 11m. cars.

The report recommends far closer working between the Commission, tourist boards and the transport authorities in order to change the climate of management in the public transport industry.

Bus licence fees quadrupled

A QUADRUPLING of licensing and some of the charges have fees for buses and coaches from August 13 was announced by the Department of the Environment.

The increases will add more of revenue to £3m. a year to operators' vehicle licensing system which running costs, making increased fares a possibility.

The confederation of Road Passenger Transport, which represents all the major operators, has already protested against the increases. The last increase was in 1969, licence from £1 to £4.

Kaldor to leave Treasury

By Peter Riddell,
Economics Correspondent

LORD KALDOR is giving up his post as special adviser to the Chancellor of the Exchequer "at his own request" from the end of the month.

The Treasury said yesterday that Mr. Denis Healey, the Chancellor, had accepted his decision "with regret."

The move, foreshadowed in Monday's Financial Times, is believed to be quite amicable since Professor Lord Kaldor, who is 68, has apparently been considering for some time whether to leave the Treasury.

It is not thought likely that Lord Kaldor will be replaced in his post as special adviser which was created for him. It is entirely separate from the position of chief economic adviser, held at present by Sir Bryan Hopkin, who also heads the Government Economic Service.

Lord Kaldor has been used as special adviser to the Chancellor on two occasions—once between 1964 and 1968 to Mr. Callaghan and Mr. Jenkins, and to Mr. Healey since July 1974.

During the first period he was particularly involved in a series of major tax changes, including the introduction of selective employment tax. Since 1974 he is believed to have been closely

involved in the proposals for stock relief for companies announced in November 1974. On Thursday, he delivered the presidential address to the Royal Economic Society, advocating the creation of buffer stocks for the main commodities linked to the issue of international currency such as special drawing rights as the most promising greater international economic stability.

Monopoly criticism rejected

By Kenneth Gooding

MR. TEDDY SMITH, chairman of Amalgamated Industrial, has rejected criticism of him and fellow director Mr. Per Heggard in a recent Monopolies Commission report.

The Commission alleged that Mr. Smith and Mr. Heggard "give an impression in their business activities that they are interested primarily in making quick financial gains."

Mr. Smith says in a letter to Amalgamated Industrial shareholders: "The implication is that this is of paramount importance in their commercial strategy and no thought is given to the continuity of business."

"In fact, of the four disposals made by your company in the last four years, each company or group was sold as a going concern and has prospered under the new management: there were no redundancies and particular attention was paid to the continuity of employment. At the same time the business of your company has thrived."

Rebuff

Mr. Smith, in an unprecedented rebuff to the Commission, had previously told it that Amalgamated Industrial was "unable to comply" with a ruling that it should sell most of its shares in the crane-making company Herbert Morris, reducing the holding from 40 to 10 per cent.

In his letter to shareholders, he says: "Your directors have taken advice from leading counsel and are informed that within the circumstances of this case there is no jurisdiction for enforcing this recommendation which, as you will see, seeks to have a retrospective effect on an investment held since 1970."

His company would fight "by every lawful means within its power" attempts by the Morris directors to remove Mr. Smith and Mr. Heggard from the Morris Board.

Lager gains 3 1/2% on other beers

By Kenneth Gooding

THE INEXORABLE increase in lager sales in the U.K. is being resisted again by Brewers Society statistics which show that this type of beer increased its share of the beer market by 3.5 per cent. last year to 19.9 per cent.

Since 1971 the market share of lager has more than doubled from 9.9 per cent.

The details come from an analysis of beer sales by the Brewers Society, the results of which are published in its magazine "Brewing Review."

Draught lager—both premium

and ordinary—showed an overall increase from 12.7 per cent. to 15.6 per cent., proving that this is the main growth area. Packaged lager, however, also increased—from 3.7 per cent. to 4.5 per cent.

This year's extraordinarily high summer will push up lager's market share once again. At some peak demand periods during the heatwave lager was accounting for as much as 40 per cent. of all beer sold.

Steam generator prospects hit by delay in first order

By DAVID FISHLOCK, SCIENCE EDITOR

THE CHANCES of survival of U.K. Atomic Energy Authority steamers—now accounting for about 10 per cent. of its budget.

The U.K. AEA is expected to save £5m. from its own budget on its experimental programme on the 100 MW prototype reactor at its Winfrith research centre, although it would expect to continue to run the reactor as an economically viable power electric source.

The more follows move by Ford earlier. The firm do not yet have the contracts worth £10.5m. already in the hands of the Energy Department for three new steam generators for the 250 MW prototype fast reactor at Dounreay.

The cuts will not affect contracts worth £10.5m. already authorised by the Energy Department for three new steam generators for the 250 MW prototype fast reactor at Dounreay.

But the Government's decision to leave the reactor at Dounreay as it is, will not be sufficiently advanced by 1977-78 to re-approve its size.

On present demand forecasts the electricity supply industry can justify no further orders for generating plant before 1979, and possibly not until well into the 1980s.

The new components, to be made of ferritic instead of austenitic stainless steel, and to design expected to reduce the risk of stress corrosion (which has plagued the Dounreay boilers) are expected to be delivered in 1979.

The plan was to finance these items early to reduce the risk of the development problems with these critical components delaying the overall project. The funds were to come from the Department of Energy, with

the new components to be delivered by the Arts Council, which received £3.5m. this year, just more than half Government expenditure on the arts.

In general, prices of cars have been rising rapidly this year, though produced models became available in 1977. The values of the proposals have risen in the value of an

● Chrysler has update cast for over half U.K. during 1976 to 1982m. forecast made

● Mr. Gordon Pfeiffer, marketing director, says market prospects for remainder of 1976 are extremely encouraging.

Components

OVERSEAS NEWS

Turkish oil ship sets sail for disputed Aegean

METIN MUNIR

ESY's state survey vessel, *1-Hora*, to-day left Turkish move and what course of action it plans to follow are not known here.

Western diplomats are inclined to believe that barring unforeseen developments the chances of a clash over the *Hora* are slim.

More overseas news, Page 16

REUTERS reports from Athens: Premier Constantine Karamanlis conferred with senior ministers to-day after news that a Turkish oil survey ship had sailed for the public assurance that it would be a factor in determining the outcome of the Aegean. But how exactly Athens

Defence Minister Evangelos

oares sworn in

ORITY Socialist Cabinet forces continue to play in by Dr. Mario Soares, was Portuguese politics. Although the military leadership of its first property shift's Revolutionary Council will be in them, to-day occupy theirs. The list of ministers officially presented earlier to the Assembly contained a President, wide-ranging veto powers.

Soares' difficulties in getting any figures of political power to take key ministries in common knowledge in for some time. Neither Finance Minister, Sr. Carreira, nor the Economic-Coordination Minister, Sr. Gomes, is credited with having a nodding acquaintance with economic policy.

Both can expect to come heavy political fire early Dr. Soares' administration to grapple with mounting economic. These include unemployment at 20 per cent, inflation at 30 per cent and a balance payments deficit which is to become chronic.

Lack of technical expertise some ministers has prompted Press critique.

Two new Cabinet, formed on the basis of the 35 per cent. of April's general elections, is the successor to six provisional Governments set up since the April 25 coup in 1974 ended almost half a century of Right-wing dictatorship. It is the first without Communist ministers in 26 months.

According to Reuter, a bomb exploded in the offices of a Left-wing group to-day shortly before Dr. Soares was sworn in.

Ford rejects TV proposal

WASHINGTON, July 23.

PRESIDENT Ford has rejected a suggestion from Mr. Ronald Reagan, his rival for the Republican presidential nomination, for a joint debate on television during next month's Republican Convention.

White House Press secretary, Mr. Ron Nessen, said the proposed interview would only promote division within the party ranks.

Reuter

Swiss ease bank curbs

ZURICH, July 23.

SWISS National Bank said it would ease reserve from Brussels. The Belgian Central Bank to-day raised its discount rate by a full point to eight per cent, apparently in response to the steep 15 point discount rate increase announced by the Bank of France yesterday.

Though the Belgian franc has been under pressure during the past few days, and Belgian authorities have had to intervene to keep it within its margin of fluctuation against the D-mark inside the "snake," to-day's move is viewed in Belgian banking circles as being more a preventive than an emergency measure.

Robins Reeves adds: The drop in the French franc has necessitated an adjustment in the monetary compensatory payments on French agricultural exports and imports, an EEC spokesman announced in Brussels to-day. From Monday, transactions will be subject to a 5.3 per cent adjustment on the green franc rate, compared with the present compensatory amount of 2.6 per cent, which has ruled for many months.

For the U.K. the compensatory payments—which act as a subsidy on food imports and a levy on exports—stays at 19.5 per cent.

nn aid for Brazil N-plants

BONN, July 23.

ADRIAN DICKS

I signed credit agreement worth DM4.27bn to-day with a group of German banking institutions providing about two-thirds of the two new nuclear power plants under construction in the West Kraftwerk Union company.

Federal Government-Kreditanstalt Fuer Bauhand (reconstruction institution) is making DM1.85bn for 20 years to the Brazilian electrical

sum is being matched by a consortium of leading German banks led by Dresdner Bank. At the same time, a Euro-credit worth DM1.15bn, for 20 years is being advanced by a banking consortium

by Dresdner Bank's Dusseldorf-based subsidiary, Luxembourgeoisie

rest rates will be set at the beginning of each quarter to prevailing market rates. The two 20-year credits covered by the officially listed Hermete reinsurance

remaining costs of the project—equal to about DM1.5bn—will be raised by the on the domestic market. The movement of the financials comes at the end of

Viking hits trouble on Mars

PASADENA, July 23.

SCIENTISTS were to-day working to overcome a mechanical problem which has hit the Viking landing craft and could impede the search for life on Mars.

Trouble cropped up in the vehicle's 10-foot-long automatic digger, designed to scoop up the Martian soil for chemical tests to see if any living organisms are present. As the robot-like arm was being put through a series of pre-programmed manoeuvres, it jammed and failed to retreat from four inches.

The cause of the snag was thought to be a locking pin which failed to drop off when the arm's cover fell away. Attempts to dislodge the pin will be made on Sunday by ordering the digger to extend itself about 14 inches.

Scientists at the jet propulsion laboratory 210 miles away were putting a replica of the lander through its paces in an attempt to diagnose the trouble more accurately.

It was not immediately clear how serious a threat the problem was to Viking's hunt for traces of life. The soil analysis is due to start on July 28 and project manager James Smith says it will be fairly confident the experiment will go ahead as planned.

"But if the pin hypothesis is not the right one and we cannot clear it up on Sunday, we will not be able to dig on day eight," he added.

Reuter

Smith attacked for rejecting race reforms

SALISBURY, July 23.

MR. IAN SMITH came under fire from the moderate White opposition parties when he reiterated the Government's intention to adopt most of the other recommendations and called on all Rhodesians to work for improved race relations.

Mr. Smith rejected the call for a return to a common voters language used by some of his supporters in attacking the report. Mr. Smith said "I appeal once again to all concerned to couch their comments in terms of a declaration of rights. In a

25-minute statement to Parliament, the Rhodesian Prime Minister said the Government would drop racism immediately. The Central Party deplored the Quenep Commission into Racial Discrimination.

In a reference to the extreme language used by some of his supporters in attacking the report, Mr. Smith said "I appeal once again to all concerned to couch their comments in terms of a declaration of rights. In a

watered-down version of the Quenep report.

The Rhodesian Party promptly rejected the Government's recommendations "at a time when

Africans are fighting

'No plans' for Smith talks with Vorster

By Stewart Dalby

JOHANNESBURG, July 23.

MR. JOHN VORSTER, the South African Prime Minister, will not be meeting the Rhodesian Premier Mr. Ian Smith over the weekend, according to a statement from the South African Prime Minister's office.

Mr. J. Weilbach, the Prime Minister's private secretary, this afternoon told the Financial Times that "there are definitely not any plans for Mr. Vorster to meet Mr. Smith this weekend. There are no plans for them to meet at all at the moment. They might meet later in August, I do not know."

The emphatic denial by Mr. Weilbach has dispelled speculation that Mr. Smith, who is thought to be coming to South Africa to watch the first round test between South Africa and New Zealand, will try and capitalise on the visit to attempt to brief Mr. Vorster on the talks he had with Dr. Henry Kissinger

Record import bill for S. Africa

By GRAHAM HATTON

JOHANNESBURG, July 23.

SOUTH AFRICA last month chalked up a record import bill of R565m. Pretoria announced to-day, which would tend to confirm views that the Government's fiscal and monetary policies are failing so far as improving the balance of payments is concerned.

Along with the falling gold price, which to-day brought renewed gloom to Johannesburg banking and investment circles, the figure also explains why the central bank is determined to tackle the import bill more through a deposit scheme.

In the six months ended June imports totalled R3.118bn. (R2.55bn. in the same period last year) and exports totalled R2.620bn. (R1.77bn. last year). The trade gap widened from R797m. to R915m. (15 per cent), which roughly equals the higher price of foreign currencies resulting from last September's 18 per cent devaluation against the

dollar, and from the floating of other currencies.

The trade figures exclude oil, bullion and certain military equipment. Krugerrands are included.

Foreign trade experts were delighted with the June export

NETO IN CUBA

HAVANA, July 23.

President Agostino Neto of Angola arrived here to-day for his first visit to the country which helped his government to power in the Angolan civil war.

Prime Minister Fidel Castro and the entire Cuban leadership turned out to welcome him.

figure which was also a record. The figure would seem to discount fears that the upward trend in exports, which has been in

"Opportunities in property are growing fastest in areas where Merchant Investors is strongest."

That is the view of Richard Ellis, one of the leading firms of Chartered Surveyors, property advisers to many Institutions, and Managers of the Merchant Investors Property Fund.

Their view, therefore, is based on an intimate knowledge and understanding of property and a detailed assessment of current conditions and prospects.

It reflects the widespread conviction that property has come back strongly into its own as an investment medium.

And underlines our confidence that well-chosen property today offers one of the best prospects for the significant and sustained growth necessary to fight inflation.

But it is not just growth prospects which we believe should recommend Merchant Investors Property Bonds to the prudent investor.

Security, tax efficiency, the ability to take a regular income, the strength of a worldwide insurance Group; all these will be of greater or lesser importance to individual investors. Which is why Merchant Investors has constructed its Property Bond to meet all these requirements simply and efficiently.

It is this combination of the prospects for property, the structure of our property portfolio, the built-in features of our Bond and the strength of Merchant Investors which we believe makes the Merchant Investors Property Bond one of the most attractive investments available to the private individual.

Growth you can share in now
Unlike last year's boom in stock market values, which many private investors feel they have now missed out on, the growth in property values looks to be much more steady and consistent. A return in fact to the historic growth pattern shown by good quality UK property. By investing now you can claim your share of the expected growth in property values.

Prime property offers the best prospects
As you might expect, the recovery in property prices is concentrated on prime properties—those in the best locations, fully let and well designed and built to meet the needs of their occupiers today and for the future. Other buildings, the secondary property sector, will take a good deal longer to recover.

Everything else you should know.

1. Life Cover. Your bond automatically gives you guaranteed life assurance built in. In the event of your death, the amount payable will be either the guaranteed sum or the then current value of the bond, whichever is the higher. The level of life cover will be determined by the amount of your bond. The sum will be reduced if withdrawals are made.

2. Premium Tax. With Merchant Investors Property Bonds you have no personal liability to basic rate tax or capital gains tax and you do not therefore have the trouble of keeping records. Premium tax and stamp duty will not affect your bond.

3. Company Taxes and Statutory Levy. The rental and other gains of the Property Fund are taxed at 25% in the special life assurance trust in which the Fund is invested. The Company is also liable for Central Goods Tax at 10% (allowing for the deduction of VAT) and stamp duty on transfers of units.

4. Investment. The Fund is invested in the special life assurance trust of the Fund. The Company is also liable for Central Goods Tax at 10% (allowing for the deduction of VAT) and stamp duty on transfers of units.

Prime property is the area where Merchant Investors has always concentrated its activities, to achieve the right balance of income and capital growth.

The Merchant Investors Fund

Merchant Investors Fund structure is, as Richard Ellis has observed, perfectly tuned to the opportunities in property now and for many years to come. Over the past few years the majority of the Fund's development projects has been completed and the properties let. Today, we have a well spread Fund in excess of £10 million, with 30 properties and a structure as follows:

Offices	19.5
Shops/Offices	24.2
Shops	18.6
Industrial	17.6
Properties held for development	1.6
Liquidity	18.5
Total	100.0

Rental growth—a key to capital growth

When the Government announced the ending of its rent freeze in December 1974, it stated that "a

Supplement your Income

(The Cash Withdrawal Plan)

You can, if you choose, use your Bond to supplement your income by cashing in automatically a proportion of your units each year—up to a maximum of 8% of your original investment.

For most investors such payments will be free of all taxes. Even higher rate tax payers will pay no tax at the time on the first 5% withdrawn each year and only have a limited liability on anything above this (see note 2 below).

As long as the increase in unit prices (from both net income and capital growth) is greater than the percentage chosen, your Bond will still grow in value. However, should unit prices grow at a lesser rate (or go down) the value of your Bond would decrease.

healthy market in commercial property is necessary for the achievement of the Government's social and economic objectives". It thereby removed a major, artificial block to the growth in property values: the value of a building is ultimately related to the amount of rent it produces.

Between now and 1980, rent reviews on Merchant Investors property portfolio, assuming today's rental levels, will increase the Fund's rental income by 60% to 65%. This will also have a major influence on the future value of the Fund's properties.

The effects of a future shortage of property

As the economic recovery builds up, so will demand for property.

For a number of reasons, however, over the past two years new property development has slowed to a trickle. Now legislation, including the Community Land Act, promises to reduce it still further.

There is, therefore, a real likelihood of a serious shortage of new industrial and commercial property when the economy picks up further. And that could mean a rapid growth in the value of the sort of properties that constitute our Fund.

The strength of Merchant Investors

Merchant Investors is a well established life office. Our purpose is to offer private savers in the U.K. the benefits of combining expertly managed investment with unit-linked life assurance to produce tax-efficient and well founded investment contracts.

Merchant Investors is now becoming part of the worldwide Nationale Nederlanden Group. Nationale Nederlanden is the largest insurance company in Holland with assets of £2.8 billion.

How to invest

While you should remember that the price of Property Fund units can fall as well as rise, Merchant Investors well spread, professionally managed Fund is extremely well placed to take advantage of any improvements in the property market.

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Date of Birth _____

Are you now, and have you always been in good health? _____

If not, please give or attach details _____

Often praised as the safest bet of all, gold has taken a tumble in the market this month. Michael Blanden explains.

How the price of gold was tarnished

housand years ago in Africa, where the falling price of gold was a curse on a major export. The world could be said to be in a similar position. This week, South Africa has been forced to introduce a new economic package of measures, including import controls over 3 years, in an attempt to avoid the possibility of a further devaluation of the currency. It is known that the gold market is one of the main factors in South African economic problems.

Monetary Fund and Soviet Union have similar problems. Little is known about Soviet gold production. It is the immediate cause of the price of gold that the country's monetary and political upheavals have become impossible to hold this position any longer, and the market was split into two tiers with the official sector, still at the old price, separated from private dealings.

In 1973 and 1974, worldwide inflation and the collapse of stock markets brought a rush from paper currencies into gold.

Speculators saw the chance of making large profits as the gold price was adjusted upwards from the artificial levels at which it had been kept for so long. Now the upsurge has been partly reversed as the market's speculative interest has weakened and official activities have produced a new flow of gold out of the market.

The gold market is a free market. The price of the commodity is determined by supply and demand at any time.

In 1974, demand rose sharply, taking the price to a peak at the end of the year at a short of \$200 an ounce and bringing large profits to many people who had bought on the way up from a price of \$170 an ounce.

The difficulties which the reduced price raises for a number of countries underlines the fact that those countries are pinned to the gold standard.

First category the market is subject to influences not fully governed by normal market forces. The second is clearly South Africa.

France

The country which has been most publicly devoted to gold—and the leading opponent of the U.S. point of view—has been France, which is suffering pressure on the franc at this time.

The French are among the more

devoted hoarders of gold. And as a country, France keeps a substantial amount of its international reserves in gold.

Citizens are not allowed directly in gold bullion, neither mines nor holds substantial levels at the beginning of last year, basing the valuation on a price of \$170 an ounce.

The difficulties which the reduced price raises for a number of countries underlines the fact that those countries are pinned to the gold standard.

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market behaviour. The world no longer operates on a gold standard, with currencies tied to gold. But gold still has important monetary functions.

And these make it an exceptionally complex task to analyse the forces which affect the price.

An official gold price of \$35 an ounce was part of the post-war monetary system. For a period in the 1960s the major industrial countries, by intervening in the market, kept the official price close to that level, despite inflation, which then was relatively slow.

But in 1968, with its monetary and political upheavals, it became impossible to hold this position any longer, and the market was split into two tiers with the official sector, still at the old price, separated from private dealings.

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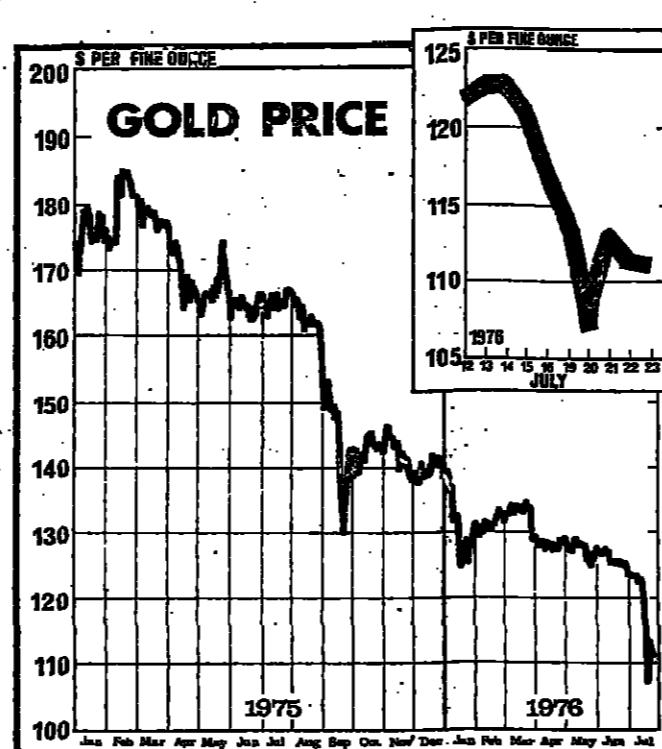
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Last year, demand fell again, taking the price down with it.

Moreover, because of its physical characteristics—it relates to manufacturing purposes in the advanced countries, and recently the depression has not, for instance, corrode the amount of gold around vastly including jewellery, this demand



reacts predictably to price movements. It fell off sharply when the price jumped in 1974 and again in 1976.

Manufacturers sought alternative materials to meet their requirements.

Industrial demand does, however, overlap with the second main category of buying, described under the general heading of hoarding. This can be defined generally as buying of gold to keep for the long term as a store of value and an insurance against disasters.

The main outlets for this kind of buying lie in the Middle and Far East and India; but it includes, as well as purchases of gold bullion, the simpler forms of jewellery (with relatively little value added in fabrication) which are owned with similar motives in these countries.

Finally, there is the gold buying generally listed under the heading of investment and speculative purchases.

These buyers are distinguished from the traditional gold hoarders by being interested not so much in keeping the metal for the long term, but in seeking to make a turn out of the potential rise in the price.

The supply of metal is easy enough to identify as far as it relates to new mine production.

South Africa is by far the biggest, accounting for around 708

metres tonnes of last year's

total free world output of 951

tonnes. Mine production has

been falling pretty consistently

for the past few years, with last

year's figure the lowest since

1958. One important reason is

the apparently perverse reaction

of output to price movements.

Higher prices tend to lead to

lower production. The reason is

that when prices are higher,

mines can make a profit by using

lower grade ores leaving higher

grades for bad times.

But that kind of consideration

cannot by itself explain the

details of its auctions. They

strength in the gold market

are to be held at intervals, with which is easily upset by other influences, including the existing gold stocks. Sales of gold by manufacturers sought alternative materials to meet their requirements.

Before that, it had begun to look as if the gold market had settled down in a reasonable equilibrium at prices well below the peaks, with enough demand to absorb the prospective flow of gold onto the market, including official sales. But,

given the outcome, speculators who had bought before the auction, expecting it to produce a better price than was actually achieved, unloaded holdings, thereby further depressing the price.

Auction

The irony is that it is not obviously in the interests of the IMF itself or of a number of central banks to see the price of gold go down too far. Recent events have indeed prompted widespread speculation that to

protect itself the IMF might decide to call off the next auction due in September, though it has said that it has no plan to do so at present. But the market will not be happy until it is persuaded that the flow of official sales can be easily absorbed. The major requirement is to see that central banks will take up some of the metal.

At present, central banks are not meant to buy from the IMF (though changes in the rules are proposed); but at the first auction the significant special fund for developing countries.

The obvious implications of this move caused an immediate setback to the market. But the avowed interest shown by France brought some reassurance. Now, the market is less certain, and with the continuing overhang of official sales nobody is looking for great

LABOUR NEWS

CATT says 30,000 building jobs will go

RISTIAN TYLER, LABOUR STAFF

0,000 building workers are out of a job because of the Chancellor's 1978 cuts programme, council and local authority lending, the Union of Allied Trades and said yesterday.

Even before the Chancellor's speech this week, TGWU leaders decided to call the union's sponsored MPs together to tackle the Government in the House of Commons on the general plight of the industry.

UCATT said yesterday the firm, taken out of the roads programme, would lead to indefinite postponement of important schemes. It pointed out that the £140m squeeze on local authority mortgages followed a cut of more than £100m last year.

"Once again construction is the ready target of Government at a time of economic crisis," the union said.

WU urges action over te sector democracy

IN PIKE, LABOUR STAFF

industries are reflecting its general attitude to achieve industrial democracy in transport and construction workers. An official statement of 50-50 trade union at Board level.

In aviation, the TGWU calls for a "radical extension" of industrial democracy in British Airways, the Civil Aviation Authority and the British Airports Authority-based firmly on the proposals of the Trades Union Congress.

The union suggests that the existing Boards of the three organisations should be reconstituted to give the trade unions equal representation with the other Government-appointed directors. The TGWU feels that the trade union directors should be shop stewards or their equivalent.

WU, however, is con-

tinuing its work on the committee's investigation of the private sector.

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Some doctors have been working only a basic 40-hour week; some are treating emergency cases only; others plan 24-hour stoppages.

There is also unrest over the Government decision to use the "guillotine" procedure on the health services Bill, which covers the separation of private practice from the National Health Service and official control of private hospital development.

Doctors are in dispute over their junior doctors' pay review.

The dispute was over a statement by the editor announcing that Mr. Michael Orme had been dismissed from the editorial staff following an inquiry into his personal share dealings by the Council of the Stock Exchange.

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Maritime Fruit obtains injunction on ships sale

BY ARTHUR SMITH

MARITIME FRUIT Carriers won an important victory in the High Court yesterday which should provide valuable breathing space in the company's fight for survival.

It said it had been granted an injunction restraining the sale by International Marine Banking of Maritime Fruit vessels Lagan and Newcastle Clipper to Spanocean Line and Blue Star Line.

The court decision is important for Maritime in that it could delay other creditor banks selling the remainder of its financially troubled fleet.

Maritime said the injunction will remain in force until next Tuesday, when there would be an opportunity for International Marine Banking and the two pur-

chasers of the vessel to oppose the continuance of the order until the trial of Maritime's action to invalidate the sales.

Arrests by creditors have stripped Maritime of control of most of its fleet of 37 ships. The main hope for the Israeli-American shipping group now lies in negotiations with Sea Containers Inc., a U.S. container and ship leasing company with substantial British interests.

Time is short for securing the agreement on this of the more than 50 banks involved.

Borthwick's £12m. offer brings week's total to £32m.

BY TERRY GARRETT

THE £12m. offer for sale on Monday, taken out of the roads programme, would lead to indefinite postponement of important schemes. It pointed out that the £140m. squeeze on local authority mortgages followed a cut of more than £100m. last year.

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COMPANY NEWS + COMMENT

Midland & Lloyds well ahead at halftime

THE SEASON of interim bank profits has opened with two of the big four, Midland and Lloyds, reporting sharp increases for the first half of 1976.

From the Midland comes an advance of just over 60 per cent. to £56.37m. in the group pre-tax balance, while Lloyds has turned in an increase of 36 per cent. to £64.6m. For the whole of 1975 the totals were £82.39m. and £65.5m. respectively.

Midland's earnings per £1 share are up from 14.7p to 20.5p basic or to 19.4p fully diluted. The increase for Lloyds is from 14.70p to 20.29p basic or from 13.75p to 19.02p fully diluted.

The increased Midland profit results from improved performance throughout the group — the associates contribution was up from £1.3m. to £1.6m. — and all units are well placed to play their full part in the economic recovery, the directors state.

There are, however, so many uncertainties that they feel it would not be prudent to forecast results for the year of the year.

Of the increase in the Lloyds profit, the directors explain that nearly half is attributable to a positive contribution from associates of £5.56m. as compared with a net loss of £2.1m.

In the U.K., despite lower average interest rates and the continued low utilisation of overdraft and loan facilities, there was an increase in net interest earnings from sterling business. This improvement was mainly attributable to an increase in customers' balances, to the wider margin between deposit rate and base rate, and to employment of the rights issue proceeds.

Operating costs continued to rise substantially although the rate of increase was less severe than that experienced last year, the directors state.

Earnings from the group's international business were "well maintained".

Midland is increasing its interim dividend from 4.2p to 5.0p net. This is to reduce disparity between payments but does not imply an increase for the year. Lloyds payment goes up from 3.37p to 3.71p on capital increased by the February rights issue — for 1975 the total of the two companies were 11.48p and 7.39p respectively. In the case of Lloyds a total of not less than that for 1975 has already been foreshadowed on the higher capital.

MIDLAND

	First half 1975	1974
Trading surplus	70,694	53,985
Dividend and etc.	7,759	7,425
Profit before tax	62,935	46,560
Provision against advances	2,580	2,580
Interest income	827	827
Less interest	7,343	5,004
Profit before tax	55,654	41,975
Net profit	35,311	25,324
Minorities	591	577
Attributable	37,720	24,747
Dividend	8,624	5,364
Retained	29,096	11,384
* Loss		

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Lloyds Bank Group

Share of associates

Profit before tax

Taxation

Minorities

Attributable

Dividends

Retained

* Loss

See Lex

Common Market Trust

For the year to June 30, 1976, taxable income of Common Market Trust rose from £462.19 to £492.245. The interim dividend per share is 23p (30.5p) net of Jersey tax and again there is to be a final dividend.

However, the directors say that a provision has been made in arriving at the net income for a distribution to holders of £26.771 in respect of a possible liability to U.K. income tax on dividends

Although the 1976-77 first half

continues next week with

National Westminster Bank

reporting on Tuesday and

Barclays Bank on Thursday.

Interims are also expected from

Taylor Woodrow on Tuesday and

Hoover on Friday, while first

quarter results from Reed Inter-

national are due on Thursday.

Preliminary results from the

Swan Hunter Group and

Inchcape are also due on

Thursday.

The interim results of Lloyd's

Bank and Midland Bank

announced yesterday, were above

most brokers' forecasts, and

Barclays Bank and National West-

minster Bank should certainly be

announcing strong profit

results next week. Both had

to make big additional loan

provisions last year (£15m. for NatWest and £10m. for Barclays),

which should be reduced or eliminated this time. Barclays' whose

interims are due on Thursday,

should also benefit from the

improved results of its interna-

tional wing — pre-tax profits were

up £10m., even without including

the exchange rate adjustment

to the season of interim results of £13m. At NatWest, whose interims are due on

Tuesday, the turnaround in its hire

leasing subsidiary, Lombard

North Central, will increase

profits by £5m. — an improvement

largely due to the reduction in

bad debt provisions. The market

is still nervous of possible rights

issues from either of these two

banks, particularly from NatWest.

Reed International's fourth

quarter results are expected to

continue through the current

year. The main factors

behind this expectation are the

pick up in volume in the U.K.

paper and board production, less

in the U.S. and a profit recovery

in Australia. So a full year pre-tax

figure of around £50m. against £27m. is looked for.

Though steady improvement is

expected at Hoover following the

steep 56 per cent pre-tax drop

in 1975. In the first quarter, full year profits are unlikely to

reflect the £10.2m. produced in

1975. It is still suffering from the

effects of depressed demand; the

halving of VAT in the April

Budget is unlikely to have too

much effect on second quarter

profits which are not expected to

come anywhere near the corre-

sponding period's £8.4m. So,

interim profits, due on Friday,

will still show quite a steep drop

last year, but the group will be

hard pushed to do any better than

maintain the 1975-76 pre-tax level

in the current year. The yield of

11.6 per cent at 41p is covered 1.8

times by the pre-tax profit of £10.2m.

Neepsend's pre-tax profit is

£1.2m. up from £0.8m. in 1975.

Dividends shown per share net of

any intervening scrip issue. * Forecast 3.81p dividend in December 1975 prospective special interim already paid. * For six months. £10.30 share. £1 in Hong Kong dollars.

(a) First-quarter figures. (b) Includes second interim. (c) Second interim.

DIVIDENDS ANNOUNCED

Current payment Date Corresponding Total Total

payment Date payment div. year year

1.37 Sept. 17 1.03 1.95 1.38 1.38

D. E. Bevan's 1.1 1.1 1.1 1.1 1.1

Common Market Trust int. 23(b) 1.03 1.03 1.03 1.03 1.03

Elbief 0.61 0.61 0.96 0.96 0.96

London Sumatra 1.21 1.21 1.21 1.21 1.21

Midland Bank 1.5 1.5 1.5 1.5 1.5

Neepsend 2.09 2.09 2.93 2.93 2.93

New Throgmorton Int. 0.45(a) Oct. 5 0.45 1.54 1.54 1.54

S. A. & T. M. 1.25 Oct. 1 1.25 1.25 1.25 1.25

Scot. Mort. Inv. 1.03 Oct. 5 0.99 1.37 1.37 1.37

Unigate 1.67 Oct. 1 1.55 2.77 2.55 2.55

Watsham's 1.05 Oct. 1 1.08 3.25 2.63 2.63

Dividends shown per share net except where otherwise stated. * Equivalent after allowing for scrip issue. (a) Corrected (b) Net

increased by rights and/or acquisition issues. (a) Corrected (b) Net

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

he recent upsurge in activity on the bids and mergers front will in evidence last week. A speculative advance of 11% in the shares of Royal Sovereign, a holding company with its spanning stationery, office requisites, books, toys, and ices, precipitated an announcement from the company on Tuesday evening that bid talks were in progress with the Lyon Robinson group. On Tuesday DR produced terms for take-over of RS which carry the latter Board's approval. An all-share offer of four DR shares for every five of alumina each RS share at 83p, and the whole equity (3m.) which has been underwritten to give a cash-alternative to 78.4p for each RS share. Irrevocable undertakings have been given by the RS directors and family interests holding some 34 per cent. of the RS.

On the week, the RS share price has practically moved up to 78p. The buying activity in RS shares which pre-

news of the bid talk has led the Stock Exchange to hold inquiry into the share dealings.

Building contractors George Wimpey yesterday came forth with a recommended 35p per share cash offer for Wingate, the property developers and investors. This values sole of Wingate at 45.75m. Undertakings to accept or pro-

cesses have been given in respect of 40.5 per cent. of the issue issued Ordinary shares.

the previous week's approach by Tanganyika Concessions to

Industrial has now led to agreement on a 205p per share bid from TC for the 53.3 per cent. of the Elbar equity not

yet held. The offer, which is to be put into effect by a

date of Arrangement, capitalises Elbar at £3.8m.

Anglo-Indonesian Plantations has launched an offer of two shares for every nine of Central Province Ceylon Tea, worth sent 10p per CPCT share. The terms are recommended

CPCT Board apart from one dissident director, Mr. David

l, who is the head of Bandana Holdings, owners of over

of the CPCT Ordinary shares. Mr. Pinfent considers the

bid to be inadequate and claims that holders with over 25

of the CPCT equity between them will not accept.

Elbar Securities has attracted the attention of two suitors. First on the scene was the building and

products group Ruberoid with an agreed all-share bid of

Ruberoid for every five of Elbar, currently worth 21p per

share. The two companies have the same chairman, Mr.

Tom Kenny, but he did not participate in the vote of approval. A rival offer soon followed from the unquoted Davis Investments (Jersey), whose terms comprise a share-exchange carrying a cash alternative of 22p for each Elbar share.

Harcroft Trust, a Keyser Ullmann subsidiary, is making an unconditional recommended 15% a share cash offer for the outstanding 25 per cent. of Westford Electrical not presently held.

Peacock Sasini, a subsidiary of Peacock, is making an offer of 22p for each of its shares.

Second Scottish Inv. Trust, a subsidiary of Second Scottish Inv. Trust, is making an offer of 22p for each of its shares.

Shepherd (E.), a subsidiary of Shepherd, is making an offer of 22p for each of its shares.

Spencer, Turner & Co., a subsidiary of Spencer, Turner & Co., is making an offer of 22p for each of its shares.

Waterfall, a subsidiary of Waterfall, is making an offer of 22p for each of its shares.

Westford Elect., a subsidiary of Westford Elect., is making an offer of 22p for each of its shares.

Wingate Inv., a subsidiary of Wingate Inv., is making an offer of 22p for each of its shares.

All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which the company is expected to become operative. g Based on 23/7/76. h Based on 22/7/76. i At suspension. j Bid.

Final Accts. date

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WALL STREET + OVERSEAS MARKETS + LATEST PRICES

Little change in early trading

BY OUR WALL STREET CORRESPONDENT

THERE WAS little change on Wall Street to-day, despite the "mildly encouraging" U.S. money figures released late yesterday.

At 1 p.m. the Dow Jones Industrial Average was off 0.25 at \$90.83, making a loss of 2.38 on the week. The NYSE All Common Index, at \$55.59, was up 4 cents on the day but down 33 cents on the week. Advancing issues topped

Closing prices and market reports were not available for this edition.

declines by about a five-to-four margin, while the trading volume expanded 280,000 shares to 8,990, compared with 1,000 yesterday.

After the Stock Market closed Thursday, the Federal Reserve Board reported the Nation's money supply fell \$200m. in the week ended Wednesday following a \$2.6bn. surge the previous week.

THURSDAY'S ACTIVE STOCKS

Stocks closing Change
traded price day
Eastman Kodak ... 26.400 51 -
Gen. Foods ... 17.480 301 +
Dow Chemicals ... 28.500 181 +
Occidental Petrol. ... 18.500 181 +
White Motor ... 15.100 75 +
Pfizer ... 26.100 25 +
Nat. Semiconductor ... 10.300 35 +
Continental Oil ... 10.300 35 +

Investors had been concerned a further rise in the money supply would prompt the FED to pull in the credit reins another notch and force up short-term interest rates.

But there was some disappointment when Citibank held its prime lending rate for top business borrowers at 7% per cent. There had been speculation the rate would drop to 7 per cent because of a general easing in short term rates and lower business loan demand.

Skelly Oil climbed \$3 to \$105; Superior Oil moved ahead \$1 to \$190.

Getty Oil rose \$2 to \$124 on improved earnings.

Corning Glass were up \$1 at 75.75.

Motor vehicles were up \$1 to 11.50.

Domestic Public Sector Bonds quiet.

VIENNA—Little changed.

MILAN—Mainly easier. Insur-

ances off.

Bonds narrowly mixed in quiet trading.

TOKYO—Higher on sporadic buying. Volume 140m. (130m.) shares.

Export-oriented shares such as Electricals, Motors and Cameras, firms. Mitsumi rose Y49 to 574.

Some Foods, Paper-Pulp, Phar-

maceuticals, Petrochemicals and

Communications were also

bought.

HONG KONG—Mixed in slow trading.

JOHANNESBURG—Extremely quiet with featureless trading in Gold. Financials easier.

Other Minings quiet but steady.

Industrial slightly easier, Coals mixed.

AUSTRALIA—Generally firmer.

Sugars, Constructions and Banks were better. Energy stocks con-

tinued actively supported.

Pancontinental rose 40 cents to 515 and Woodsore-Burmarh 2

cents to 95 cents.

OSLO—Banks and Industrials

were firm. Insurances steady.

Tankers very firm.

Elsewhere, Rekson dropped 10 cents to \$46.60.

Indices

NEW YORK—DOW JONES

	July 22										July 23										July 23	
	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	High	Low	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	High	Low
Industries	811.08	808.44	808.28	809.05	808.21	807.45	801.11	808.71	805.76	812.22	808.71	805.76	811.21	808.71	805.76	801.21	808.71	805.76	801.21	808.71	805.76	
Home Bds.	86.77	86.50	86.76	86.76	86.77	86.59	86.59	86.59	86.59	86.59	86.76	86.59	86.76	86.76	86.76	86.76	86.76	86.76	86.76	86.76	86.76	
Transport	226.65	226.42	226.60	227.05	226.67	225.88	221.37	226.88	226.88	226.88	226.88	226.88	226.88	226.88	226.88	226.88	226.88	226.88	226.88	226.88	226.88	
Utilities	90.68	90.78	90.57	90.71	90.65	90.87	91.20	91.20	91.20	91.20	91.20	91.20	91.20	91.20	91.20	91.20	91.20	91.20	91.20	91.20	91.20	
Tr. Ind. vol.	15,600	18,500	18,510	18,520	18,460	20,400	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

* Basis of index changed from July 1.

Ind. div. yield %

5.82

July 16

3.79

July 9

3.80

July 2

4.48

Year ago (approx.)

STANDARD AND POORS

	July 22										July 23										July 23	
	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	High	Low	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	High	Low
Industries	116.64	116.50	116.67	117.04	117.45	118.12	118.02	101.84	124.84	118.02	118.02	118.02	118.02	118.02	118.02	118.02	118.02	118.02	118.02	118.02	118.02	
Composite	105.35	105.82	103.72	104.25	104.98	105.20	104.40	104.40	104.40	104.40	104.40	104.40	104.40	104.40	104.40	104.40	104.40	104.40	104.40	104.40	104.40	

Ind. div. yield %

3.38

July 21

3.30

July 18

3.35

July 11

3.78

Ind. P/B Ratio

12.77

July 21

13.05

July 14

12.85

July 7

11.05

Long Gmt. Bond yield

5.56

July 21

5.60

July 14

5.67

July 7

5.72

ACROSS

6 Girl with surprised expression

1 Mirthless Victorian expression

(1, 3, 3, 6)

10 Sun up for City during strike

(5)

11 Growing umbrella to notice on

seat by bar (9)

12 Smother untruth of a superior

kind (7)

13 Resting place for things

buttered by puffers (7)

14 Advertising campaign produc-

ing cramp (5)

16 A French work proponent

without a contest (9)

19 RAC's act is unusually taunt-

ing (9)

20 Nymphy introduces no Scot-

unit to a daughter (5)

22 Competitive bird with twisted

<p

SPORT

Gold out of the blue

IN'S rousing victory, her and the semi-finals of the Games in the women's 800 metres (Elizabeth Pentathlon team event winner). Both Ovett and Lannanach had again our man should steam into to reach up into the blue tomorrow's finals. Ovett is probably capable of 1m 45. See. 8 ft 6 in. modern Pentathlon of 1m 45 and all praise. Particular Robert Nighthawk and Jim Fox was vividly etched in spite of the trio's strength.

To-morrow also features the final of the men's discus and the men's 400m hurdles. Britain's Alan Pascoe in the 400-

show of the week-end will be to-day's qualifying rounds in the pole vault, less an athletics discipline than a high technology. World record is Dave Roberts' 18 feet 8 inches, set in the U.S. Olympic trials. Glass fibre poles still rule the day but the vaulters reckon their usefulness will expire at around 19 feet.

Thus the search for a new pole material, even a new vaulting device. James Vernon, a 50-year-old Associate Professor of Mechanical Engineering, has designed an angled, isolated construction (material unspecified) that could be the next breakthrough.

In the high jumping, where Fosbury flopped Dwight Stones has the world mark at 7 feet 7 inches. A U.S. gymnast, Glen Schmidling, is working on a technique.

Summeling sprints towards the south-east of Montreal amidst the rolling acres owned by a powerful Quebec family, the Equestrian Olympics are underway in an atmosphere of refinement and devout competition.

The three-day, 13-team equestrian event enters the crucial stage to-day with the slog of the endurance test which should see a consolidation of the fine start the British made in the dressage.

Britain is the reigning Olympic three-day team champion, Richard Meade the riding individual Gold medalist. His colleague at Bromont is Princess Anne, who finished third and seventh of the 24 first-day starters in the dressage, and Linda Prior-Palmer. The endurance-type test accounts for about 75 per cent. of the competition and is followed by show jumping on Sunday.

The jumper himself thinks the situation "pretty funny," adding: "I got a letter from a track federation that says my jump is illegal. They've never even seen it. I'm going to frame that letter."

On the long jump scene world record Bob Braman's 29 feet 2 inches has been set by American and East Germans have dominated so far, but Britain's David Wilkie is a firm tip for to-day's final of 200m metres breaststroke.

RODING: Britain's eight, a combination of Leander and Thame, Bromont, reached Sunday's final by winning their repechage heat. They face East Germany, Australia, West Germany, New Zealand and the Czechs.

This best-ever British eight



BY MICHAEL THOMPSON-NOEL
REPORTS FROM MONTREAL

metres burdles has been dogged by injury.

SWIMMING: Americans and East Germans have dominated so far, but Britain's David Wilkie is a firm tip for to-day's final of 200m metres breaststroke.

ETICS: To-day sees three finals, of which only the shot directly concerns other two are the finals women's javelin and the 80 metres. In the shot, a double record holder, uses 23 stone, career-best 81 inches, is tipped just the bronze, against the Al Henschel's 23 inches.

He also has the semi-finalist's 80 metres (Steve

the best of the women's race (Sonia Lannanach)

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This best-ever British eight

has undergone slogging preparation, guided by coach Bob Janzon. East Germans are gold-medal favourites. Britain could pip New Zealand for the silver.

The most entertaining side-



Princess Anne and Capt. Mark Phillips at the Bromont Olympic centre.

Battle of Bromont

OUT AT BROMONT, 50 miles

south-east of Montreal amidst the rolling acres owned by a powerful Quebec family, the Equestrian Olympics are underway in an atmosphere of refinement and devout competition.

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Princess Anne is naturally attracting all the fuss.

Watched by the Queen, the Princess—the 1971 European champion—performed a reasonable test on Goodwill for 81.25 penalty points.

Thomas accumulated only 85 on Playamar, setting things up for Meade on Jacob Jones and Miss Prior-Palmer on Be Fair.

From the courtly dressage the competitors now switch to the rigours of the 22-mile endurance test which comprises a flat roads-and-tracks course at moderate pace, a gallop step-piecase, a second roads-and-tracks and a six-mile cross-country over 300 stiles.

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The best three performances count towards the team medals.

ON THE second day of the fourth Test, England were once again in a backs-to-the-wall fight back. On this occasion at Headingley they were successful, but whether they would have been if both Holding and Holder had not broken down and been unable to bowl in the later stages must be open to some doubt.

Nevertheless, it was good to see the return to form of Greig Knott, while both Willey, colourful and exciting, and Balderstone, patient and watchful, contributed useful and highly contrasting innings.

By the end of the day the England captain was demonstrating how and why he has, until this summer, regularly secured runs in international cricket. He finished with 89 not out and the prospect of a well-deserved centurion.

The West Indies resumed their first innings at 437 for 8 against the bowling of Willis and Snow. Roberts and Daniel lasted rather longer than expected, assisted by a rare error from Knott, who dropped Daniel. It did not prove an expensive miss, as with the total 450 Snow uprooted Roberts' middle stump when he optimistically attempted a square cut.

England's new opening pair, Daniel and Woolmer, came out to face some very fast bowling from Roberts and Holding. The Kent player might have been caught off the second ball, a nasty chance low down to a very close short leg, but it was Steele

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Just after three o'clock Holding limped off with a damaged leg muscle, which meant that Lloyd was presented with the problem of getting from three instead of four quickies. As a result he used both King and Fredericks who both looked rather friendly.

The ever-watchful Balderstone proceeded to share in a useful partnership with his captain, Greig, which took the score past three figures.

Although it was not exciting, Balderstone's making 11 between lunch and tea, it was in the circumstances essential that England were to make a fight of it, and Greig on 32 not out was showing a welcome return to his true form.

The re-introduction of Roberts, much the most dangerous member of the West Indian attack, clearly worried the batsmen. At 169, having gone round the wicket, he deceived Balderstone with his new line and had him caught behind.

Lloyd's problems increased when Holder, after one exploratory over, was unable to continue. It meant that he was forced to over-use Roberts.

Greig and Knott began to take toll of bowling which was beginning to lose penetration and fire. Together they took the score to 238-5 at the close, with Greig 88 not out and Knott 30 not out.

TREVOR BAILEY

Greig leads fight back

who departed to the pavilion with only four runs on the board, beaten by the sheer pace of Holder.

Although Woolmer experienced several unhappy moments against the speed of Roberts and Holding, and played and missed more than he would have liked, he was still there when Lloyd made a double

times hit the ball back past the fast bowlers.

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Cricket

WEST INDIES 450
ENGLAND 238-5

bowling change at 12.55, bringing on Daniel and Holder.

The move proved successful, as Hayes, who had shown considerable skill in negotiating several difficult deliveries, went down like a full-half-volley and was caught behind.

Worst was to come at 34. Woolmer was caught in the slips of Holder, which meant that the two new caps were together and England most unhappily placed.

At lunch, the score was 43 for 3, so that a large stand between the two newcomers was essential.

With Willey providing welcome aggression and Balderstone holding on grimly the newcomers took the score to 80 before Willey was lbw to a ball that kept low from Roberts. Although the Northants player might have been caught off the second ball, a nasty chance low down to a very close short leg, but it was Steele

From the courtly dressage the competitors now switch to the rigours of the 22-mile endurance test which comprises a flat roads-and-tracks course at moderate pace, a gallop step-piecase, a second roads-and-tracks and a six-mile cross-country over 300 stiles.

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Racing

Youth must tell

approaching the distance before striding clear to defeat Twig Moss, winner of the £27,000 Prix Noailles, by three-quarters of a length, with Malacate three lengths back in third place.

ASCOT
2.00—Kandam
3.50—Al Stanza
3.20—Youth**
Ashmore (each way)

2.55—Averinos
4.25—Hobnob
5.00—Strato**
A.Y.R.

L30—Roman Fantasy
2.00—Swell Fellow
2.30—Twin
3.00—Roman Warrior**
3.30—Peak Princess
4.00—Guard Duty
4.30—Friendly Souad

Pawnee, also unbeaten this season, showed that there was nothing deceptive about the ease with which she disposed of her Oaks rivals when getting the better of the previously unbeaten River Queen in the French counterpart, the Prix de Diane

at Chantilly on June 18. In that event, the most memorable filly, Classic, was beaten by the front-running Pawnee, driven for all she was worth by Trevor St. Martin, in the final three furlongs, held off River Queen by one and a half lengths with the subsequent Irish Guineas Oaks winner, Lagunette, three lengths away in third place.

Malacate, who is comfortably held on the form book by Youth, judge by the Prix du Jockey Club running, owes his market position to his recent victory in the Irish Sweeps Derby at the Curragh.

François Boutin's Lucky Debonair colt, thought by his connections to be improving, could hardly have been more impressive there. Trailing the outside favourite Empyre until well into the home straight, Malacate then forged clear to outpace the Epsom Derby winner with the minimum of fuss.

DOMINIC WIGAN

U.S. Markets

Metals and grains fall: cocoa lower

THE SOYABEAN complex closed down with other grains, especially low-moisture in growing areas and expectation of further precipitation. Corn futures, however, closed higher following follow-through following the end of the week.

NEW YORK July 22. The market was unchanged, with no change in quiet trading, reports Bache.

Australian Wheat steady. Close: Sept. 25.95. Business: Sept. 25.95. A.D. 25.95. Dec. 26.00. Spot: Indian Wheat 26.00. Dec. 26.00. Dec. 26.00. Value: 26.00. Dec. 26.00.

White: 26.00. Dec. 26.00. Dec. 26.00.

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DOMINIC WIGAN

WOOL FUTURES

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DOMINIC WIGAN

VEGETABLE OILS

LONDON PALM OIL. Close: Sept. 25.95. Business: Sept. 25.95. A.D. 25.95. Dec. 26.00. Spot: Indian Palm 26.00. Dec. 26.00. Dec. 26.00. Value: 26.00. Dec. 26.00.

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Coffee—C" Contract: July 33.00. 19.40. Sept. 25.95. Oct. 25.95. Nov. 25.95. Dec. 26.00. Jan. 26.00. Feb. 26.00. Mar. 26.00. Apr. 26.00. May 26.00. June 26.00. July 26.00. Aug. 26.00. Sept. 26.00. Oct. 26.00. Nov. 26.00. Dec. 26.00. Jan. 26.00. Feb. 26.00. Mar. 26.00. Apr. 26.00. May 26.00. June 26.00. July 26.00. Aug. 26.00. Sept. 26.00. Oct. 26.00. Nov. 26.00. Dec. 26.00. Jan.

Syria puts pressure on Beirut truce

BY IHSAN HIJAZI

DESPITE continued fighting in control on Tal Al Zaatar and the and around the embattled nearby Al Nabaa quarter. The Palestinian camp of Tal Al Zaatar and the nearby Moslem entered its 31st day to-day with quarter of Al Nabaa at Beirut's clashes reportedly still raging in the area. Press quarters put the number of casualties at Al Nabaa in the past 24 hours at 100 killed and wounded.

The Government intended that anyone under pensionable age who held a tricycle issued under the old vehicle scheme should be able to switch to a mobility allowance, he said.

Explaining further arrangements to replace the tricycle scheme, Mr. Ennals referred to concern about accident statistics of this vehicle.

Although safety precautions had been taken, there was a decisive new factor in that the progress of international standards in this field made it most probable that the limits of the present tricycle design would be reached before long.

After the present annual contracts with the three tricycle manufacturers were completed in March 1977 the Government would be placing one last order, the Minister said.

Dr. Al Kholi, accompanied by the commander of the Arab League force, to-day personally

escorted the Red Cross convoy to Tal Al Zaatar to evacuate the wounded. One radio station said the convoy "invaded" this afternoon to enter the camp. Three other previous attempts by the Red Cross had failed.

Observers said if Syria in fact has joined the efforts for a ceasefire, this was an encouraging sign for two reasons: first, Syria can bring pressure to bear on the Right wing to go along with the proposed truce; second, the Syrian move may be a first indication the current Palestinian-Syrian talks in Lebanon's left-wing Moslems-Damascus were making progress.

Informed sources, however, are of the opinion the Right wing are not yet ready for a ceasefire, insisting on establishing full AP-DJ

Sadat cool to Libyan threat

CAIRO, July 23.

EGYPT reacted coolly to-day to a Libyan threat to sever all relations with Egypt if the latter continues its aggressive policies towards the LAR (Libyan Arab Republic), although, the Arma understands."

Egypt's off-declared policy hinged on a belief that severing relations serves no purpose.

The phasing-out would be such that proposals for replacing the tricycle scheme would not incur additional public expenditure.

Mr. Alfred Morris, Minister for the Disabled, announced that the new £260-a-year mobility allowance was to be extended to children

contemplating making the break.

The ill-feeling between the Egypt and Sudan blamed Libya two Arab neighbours was high for an attempted coup this month against Sudanese President last night when he charged strongly "Libya's madman" apparently denied by the Libyans.

Last night, Mr. Sadat described as tragic "the attempt of Libya's madman and his clique of con-

spirators and clandestine powers to invade Sudan in the most brutal and vicious way."

Reuter

INTERNATIONAL COMPANY NEWS

Slump at BHP

BY JAMES FORTH

PROFITS of Broken Hill Proprietary, Australia's largest

company and only steel producer, it was becoming increasingly difficult to justify investment. The group has already deferred the dividend of 31 cents a share. The main factor in the slump was a reported \$450.6m. loss on

steel operations compared with a \$17.7m. loss in 1974/75 and a \$5.4m. profit in the previous year. The loss was incurred despite steel price increases granted during the year amounting to about 30 per cent. It was caused by the world economic

slump, which hit demand for steel internationally and slashed export prices, and the local recession.

But the loss was also after allowing for BHP's own form of inflation accounting. BHP includes a charge for plant replacement in its depreciation which it calls the fixed asset utilisation charge. The replacement factor is termed the fixed asset value adjustment (FAVA). The total fixed asset utilisation charge is up from \$A182.6m. to \$A221.7m., which includes a sum of the FAVA from \$A65.9m. to \$A90.1m. The figures were after a FAVA of \$66.6m. compared with \$45.6m. in the previous year.

If BHP did not make an adjustment, the steel section would have reported a drop in profit from \$A41.8m. to \$A15.7m. This is still a minimal return considering that about \$A1.7m. in funds are employed in steel.

BHP recently told an Industries Assistance Commission

that the fall in demand for steel

is reflected in the fall in export

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AUTHORISED UNIT TRUSTS

Unit Tit. Migr. Ltd. (a) (b)	Brands Ltd. (b)	G.T. Unit Managers Ltd. (b)	J. & C Unit Trust Management Ltd. (b)	Mercury Fund Managers Ltd. (b)	Piccadilly Unit T. Migr. Ltd. (b)	J. Henry Schroder Wagg & Co. Ltd. (b)	Target Tit. Migr. (Scotland) (a) (b)
Leisure Fd. Ayresley Fd. 01-225 6500	26. Penrhyn St. E.C. 1. 01-225 6500	10. St. Martin's-le-Grand, E.C. 1. 01-600 4940	1. Stock Exchange, EC2N 1HPP. 01-228 2000	30. Grosvenor St. EC2N 2EP. 01-600 4950	120. Cheapside, EC2. 01-625 2520	18. Athol Crescent, Edin. 3. 01-329 8623	
total 125. 24.5 - 0.3 2.25	Brands Cap. 59.5 - 1.5 2.00	7. T. Cap. Inc. 160.2	2. The Stock Exchange, EC2N 1HPP. 01-228 2000	More Fd. July 21. 11/27. 12/2. 5/13	121. Cheapside, EC2. 01-625 2520	Target Funds 211. 21/2 - 0.2 2.94	
costs 25. 2. 4.15	Brands Inc. 110.0 - 10. 7.07	1. Macmillan Fd. 85.2	3. More Fd. July 21. 11/27. 12/2. 5/13	More Fd. July 21. 11/27. 12/2. 5/13	122. Cheapside, EC2. 01-625 2520	Target Clym. 49.5 - 0.2 3.21	
Net sub. day July 21.		2. T. & S. & Co. 129.2	4. Act. July 21. 11/27. 12/2. 5/13				
Bridge Talman Fd. Migr. Ltd. (b)	5. A. Missing Fd. 107.0	3. G. & A. Inst. Fund 107.0	5. Act. July 21. 11/27. 12/2. 5/13				
5. A. Missing Fd. E.C. 1. 01-223 4800	6. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	4. G. & A. 24.5 - 0.2 5.51	6. Act. July 21. 11/27. 12/2. 5/13				
6. T. & S. & Co. 129.2	7. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	5. G. & A. 24.5 - 0.2 5.51	7. Act. July 21. 11/27. 12/2. 5/13				
7. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	8. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	6. G. & A. 24.5 - 0.2 5.51	8. Act. July 21. 11/27. 12/2. 5/13				
8. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	9. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	7. G. & A. 24.5 - 0.2 5.51	9. Act. July 21. 11/27. 12/2. 5/13				
9. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	10. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	8. G. & A. 24.5 - 0.2 5.51	10. Act. July 21. 11/27. 12/2. 5/13				
10. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	11. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	7. G. & A. 24.5 - 0.2 5.51	11. Act. July 21. 11/27. 12/2. 5/13				
11. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	12. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	6. G. & A. 24.5 - 0.2 5.51	12. Act. July 21. 11/27. 12/2. 5/13				
12. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	13. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	5. G. & A. 24.5 - 0.2 5.51	13. Act. July 21. 11/27. 12/2. 5/13				
13. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	14. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	4. G. & A. 24.5 - 0.2 5.51	14. Act. July 21. 11/27. 12/2. 5/13				
14. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	15. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	3. G. & A. 24.5 - 0.2 5.51	15. Act. July 21. 11/27. 12/2. 5/13				
15. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	16. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	2. G. & A. 24.5 - 0.2 5.51	16. Act. July 21. 11/27. 12/2. 5/13				
16. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	17. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	1. G. & A. 24.5 - 0.2 5.51	17. Act. July 21. 11/27. 12/2. 5/13				
17. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	18. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	0. G. & A. 24.5 - 0.2 5.51	18. Act. July 21. 11/27. 12/2. 5/13				
18. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	19. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	2. G. & A. 24.5 - 0.2 5.51	19. Act. July 21. 11/27. 12/2. 5/13				
19. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	20. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	1. G. & A. 24.5 - 0.2 5.51	20. Act. July 21. 11/27. 12/2. 5/13				
20. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	21. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	0. G. & A. 24.5 - 0.2 5.51	21. Act. July 21. 11/27. 12/2. 5/13				
21. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	22. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	2. G. & A. 24.5 - 0.2 5.51	22. Act. July 21. 11/27. 12/2. 5/13				
22. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	23. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	1. G. & A. 24.5 - 0.2 5.51	23. Act. July 21. 11/27. 12/2. 5/13				
23. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	24. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	0. G. & A. 24.5 - 0.2 5.51	24. Act. July 21. 11/27. 12/2. 5/13				
24. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	25. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	2. G. & A. 24.5 - 0.2 5.51	25. Act. July 21. 11/27. 12/2. 5/13				
25. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	26. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	1. G. & A. 24.5 - 0.2 5.51	26. Act. July 21. 11/27. 12/2. 5/13				
26. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	27. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	0. G. & A. 24.5 - 0.2 5.51	27. Act. July 21. 11/27. 12/2. 5/13				
27. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	28. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	2. G. & A. 24.5 - 0.2 5.51	28. Act. July 21. 11/27. 12/2. 5/13				
28. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	29. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	1. G. & A. 24.5 - 0.2 5.51	29. Act. July 21. 11/27. 12/2. 5/13				
29. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	30. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	0. G. & A. 24.5 - 0.2 5.51	30. Act. July 21. 11/27. 12/2. 5/13				
30. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	31. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	2. G. & A. 24.5 - 0.2 5.51	31. Act. July 21. 11/27. 12/2. 5/13				
31. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	32. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	1. G. & A. 24.5 - 0.2 5.51	32. Act. July 21. 11/27. 12/2. 5/13				
32. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	33. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	0. G. & A. 24.5 - 0.2 5.51	33. Act. July 21. 11/27. 12/2. 5/13				
33. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	34. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	2. G. & A. 24.5 - 0.2 5.51	34. Act. July 21. 11/27. 12/2. 5/13				
34. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	35. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	1. G. & A. 24.5 - 0.2 5.51	35. Act. July 21. 11/27. 12/2. 5/13				
35. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	36. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	0. G. & A. 24.5 - 0.2 5.51	36. Act. July 21. 11/27. 12/2. 5/13				
36. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	37. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	2. G. & A. 24.5 - 0.2 5.51	37. Act. July 21. 11/27. 12/2. 5/13				
37. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	38. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	1. G. & A. 24.5 - 0.2 5.51	38. Act. July 21. 11/27. 12/2. 5/13				
38. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	39. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	0. G. & A. 24.5 - 0.2 5.51	39. Act. July 21. 11/27. 12/2. 5/13				
39. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	40. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	2. G. & A. 24.5 - 0.2 5.51	40. Act. July 21. 11/27. 12/2. 5/13				
40. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	41. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	1. G. & A. 24.5 - 0.2 5.51	41. Act. July 21. 11/27. 12/2. 5/13				
41. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	42. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	0. G. & A. 24.5 - 0.2 5.51	42. Act. July 21. 11/27. 12/2. 5/13				
42. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	43. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	2. G. & A. 24.5 - 0.2 5.51	43. Act. July 21. 11/27. 12/2. 5/13				
43. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	44. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	1. G. & A. 24.5 - 0.2 5.51	44. Act. July 21. 11/27. 12/2. 5/13				
44. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	45. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	0. G. & A. 24.5 - 0.2 5.51	45. Act. July 21. 11/27. 12/2. 5/13				
45. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	46. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	2. G. & A. 24.5 - 0.2 5.51	46. Act. July 21. 11/27. 12/2. 5/13				
46. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	47. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	1. G. & A. 24.5 - 0.2 5.51	47. Act. July 21. 11/27. 12/2. 5/13				
47. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	48. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	0. G. & A. 24.5 - 0.2 5.51	48. Act. July 21. 11/27. 12/2. 5/13				
48. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	49. A. Payligh. Ltd. Brentwood. 22.1 - 0.2 5.51	2. G. & A. 24.5 - 0.2 5.51	49. Act. July 21. 11/27. 12/2. 5/13				
49. A. Payligh. Ltd							



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FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

High	Low	Stock	£	or	Int. Yld.
98	97	"Shorts" (Lives up to Five Years)	1.75	+	1.6
98	97	"Victory" (Picks 1973)	1.50	+	1.45
101	99	Unesco Fund 1973	1.60	+	1.55
97	96	Electricity 3% 1977	1.15	+	1.12
103	97	Treasury 11% 1977	1.60	+	1.55
95	91	Treasury 11% 1978	1.60	+	1.55
97	94	Transport 3% 1977	1.25	+	1.20
97	94	Treasury 10% 1977	1.60	+	1.55
101	97	Treasury 10% 1978	1.60	+	1.55
91	87	Exchequer 3% 1977	1.15	+	1.12
103	97	Treasury 11% 1977	1.60	+	1.55
86	84	Treasury 11% 1978	1.60	+	1.55
100	94	Treasury 10% 1977	1.60	+	1.55
88	84	Electricity 3% 1977	1.25	+	1.20
95	91	Treasury 11% 1977	1.60	+	1.55
97	94	Transport 3% 1977	1.25	+	1.20
97	94	Treasury 10% 1977	1.60	+	1.55
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97	94	Transport 3% 1977	1.25	+	1.20
97	94	Treasury 10% 1977	1.60	+	1.55
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MAN OF THE WEEK

The last
Olympian
master?

BY MICHAEL THOMPSON-NOEL

THE OLYMPIC MOVEMENT is in danger of complete disintegration. Although cracks are appearing in the resolve of a few of the African, Asian and Caribbean nations that have walked out of the Montreal games in protest at South Africa's racial policies, that must be the conclusion of the past seven days.

The International Amateur Athletics Federation has now banned South Africa from membership and thus from all world athletics competition. Sudan, which left in 1972, is the only African nation.

Any rebellion is unlikely to develop strongly before the summer recess but the Tribune Group members who attended an angry three-hour meeting which lasted into the early hours of yesterday claimed that the increase in National Insurance contributions was added to the package late in the Cabinet's deliberations.

The Orders, notably in the increase in various National Health Service charges and the additional 2 percentage points on the employers' National Insurance contributions, will be introduced in the autumn.

In the meantime, Left-wing Tribesmen Group members who attended a meeting which lasted into the early hours of yesterday claimed that the increase in National Insurance contributions was added to the package late in the Cabinet's deliberations.

In his view it was unreasonable for the group to behave as if there was a massive Left-wing majority in the Parliamentary Labour Party and in the Cabinet.

Mr. Albert Booth, Employment Secretary, claimed that its introduction by the Chancellor had been so late that it was impossible for Ministers to obtain departmental briefs prepared to study its full impact.

It also emerged yesterday that a £5m cut in overseas aid was removed from the package in order to placate the Left-wing.

He stressed that the Tribune Group was determined to use all deferred in defence spending in 1977-78.

By all accounts Mr. Michael Foot, Leader of the Commons Committee and at Wednesday's meeting of the Labour Party's National Executive Committee.

Mr. Arthur Latham, chairman of the Tribune Group, has urged all Left-wing MPs to remain at Westminster on Monday and Tuesday week in case a debate is held on the Chancellor's package before Parliament goes into recess.

The strength of the and the other Left-wing Minister group's protests will depend on present at the Tribune meeting.

If there is a better man to save the Olympics from the depths, he has not yet come forward. Known abroad as the Pope of Sport, Killanin came into the movement when he was in his mid-30s when he became president of the Olympic Council of Ireland, partly to help erase debts from the 1948 games.

Lord Killanin—an eight-year term

Killanin lives in Spiddal, County Galway. He covered the Sino-Japanese war as a newspaper correspondent and returned to Ireland in 1945 to rebuild the family home. However, he says: "I don't like living behind the walls of an estate cut off from the people. I just don't have the landlord mentality."

It is not cut off any more. Killanin took over the torch of the IOC presidency from Avery Brundage in 1972 and embarked on an eight-year term of office.

Where Brundage, crusty and vastly wealthy, has paid his own presidential expenses, Killanin, much less rich, asked for and received \$50,000 a year. Where Brundage was an autocrat, running the IOC out of his own briefcase, Killanin is a diplomat and democrat.

Killanin joined the IOC in 1962 and for years has worked to get mainland China back into the movement. He knew his shock when Brundage in 1965, unilaterally recognised the Republic of China (Taiwan) Olympic Committee and his shock, again, in 1970, when Brundage brought forward Henry Hu as IOC member on behalf of Taiwan.

As much as any man could, Killanin has struggled to hold the movement together. In 1978 he called the first full IOC congress in 50 years, in Bulgaria, at which the amateur rule was modified and the national federations given a greater say in the conduct of the games. During Killanin's presidency, new IOC delegations have joined from Jamaica, Cuba, India, Senegal, Thailand, Mexico, Australia, the U.S. and Algeria.

"It has been obvious for a long time," he says, "that the Third World is under-represented in the IOC. That is why I feel the IOC should be a wing of the United Nations, because I don't strongly believe in the custom whereby members represent the IOC in their countries, not their countries in the IOC."

Unfortunately for Killanin, that custom is dying fast. Twenty years ago there was hardly a country in the world with a Minister for Sport. Today there is hardly a country without one.

The Olympic ideal has been trampled by the student shootings in Mexico and the terrorism in Munich, and shoddy by the \$1.5bn run-in to Montreal. The African walk-out, and Canada's own stance earlier over the non-related issue of the Taiwanese, who left before the start of the Games when Canada refused to allow their athletes into the country unless they agreed not to participate under the name of the Republic of China, may have been the mortal blow.

Lord Killanin could even be the last president of the IOC, before it disintegrates.

Left plans guerilla war on package

BY RICHARD EVANS, LOBBY EDITOR

LABOUR Left-wingers threatened to conduct a guerrilla campaign in Parliament and in the Labour movement against the proposed cuts in public spending, as the full impact of the Cabinet's decision sank in.

The Left-wing is worried about the pay row, which will raise £300 because of its impact on prices and employment.

Tribune Group members who attended an angry three-hour meeting which lasted into the early hours of yesterday claimed that the increase in National Insurance contributions was added to the package late in the Cabinet's deliberations.

The Orders, notably in the increase in various National Health Service charges and the additional 2 percentage points on the employers' National Insurance contributions, will be introduced in the autumn.

In the meantime, Left-wing Tribesmen Group members who attended a meeting which lasted into the early hours of yesterday claimed that it was impossible for Ministers to obtain departmental briefs prepared to study its full impact.

It also emerged yesterday that a £5m cut in overseas aid was removed from the package in order to placate the Left-wing.

He stressed that the Tribune Group was determined to use all deferred in defence spending in 1977-78.

By all accounts Mr. Michael

Foot, Leader of the Commons Committee and at Wednesday's meeting of the Labour Party's National Executive Committee.

Mr. Arthur Latham, chairman of the Tribune Group, has urged all Left-wing MPs to remain at Westminster on Monday and Tuesday week in case a debate is held on the Chancellor's package before Parliament goes into recess.

The strength of the and the other Left-wing Minister group's protests will depend on present at the Tribune meeting.

U.S. gives Healey cuts qualified welcome

BY DAVID BELL

SENIOR U.S. officials to-day gave a qualified welcome to the latest British public spending cuts as further evidence that the Government appears still to be determined to stick to its long-term economic strategy and has not been deflected from it.

It is, however, felt here that now is still too early to say whether yesterday's measures will be enough to strengthen the pound sufficiently to remove the need for Britain to borrow from the International Monetary Fund later this year.

The borrowing would be needed to pay back whatever part of the recent \$5.5bn swap agreement may have been used by that time.

The swap finally expires in December, and any British application, which the U.K. is still anxious to avoid, would have to be made by the middle of September.

Fund officials, as always, had an official comment on the cuts but, for the moment at least, some disposed to accept the British view that the combined effect of the latest cuts and the economic recovery will be to reduce the 1977 public sector

borrowing requirement below £25bn.

This has been widely taken as the figure the Fund would like to see. It is considered view, however, will become clearer only after it has had time to study in more detail the Treasury's latest projections.

Known to be thinking in terms of about £25bn, and there seems a greater willingness now to accept the U.K. projections than there may sometimes have been in the past.

It is pointed out that a lot can change between now and the start of the 1977 fiscal year, which is still nine months away.

For its part, the senior management of the IMF is also known to have been impressed by the success of the Chancellor's anti-inflation policy, even though it is recognised that it still has some way to go.

The considerable political problems of the Government are also well recognised inside the Fund and officials have no intention of allowing themselves to appear to be "wielding a big stick."

Nevertheless, there are some doubts that Britain will be able to get through the rest of the year without a new drawing, and the Fund will take a very hard look at the British economy before deciding what to include in the letter of intent that it is anxious not to be seen to be "leaning" on Britain, and U.S. officials insist that there is no magic figure in the minds of the U.S. Administration for next year's borrowing requirement.

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